MISCELLANEOUS

HEARINGS

BEFORE THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

NINETY-FIRST CONGRESS

FIRST SESSION

ON

H.R. 9946

QUITCLAIM RETAINED RIGHTS IN LAND IN LEE COUNTY, SOUTH CAROLINA

JUNE 9, 1969

H.R 901

REMOVE CERTAIN RESTRICTIONS AGAINST ALCOHOLIC BEVERAGES UNDER TITLE I, PUBLIC LAW 480

OCTOBER 1, 1969

H.R. 12588

DONATION OF CCC-HELD DAIRY PRODUCTS

OCTOBER 14, 1969

H.R. 7161, S. 55, S. 65, S. 80, S 81, AND S. 82

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NOVEMBER 13, 1969

H.R. 6244

EXTEND FINANCIAL ASSISTANCE TO DESERTLAND ENTRYMEN

NOVEMBER 13, 1969

H.R. 6525

INDEMNIFY FARMERS FOR HAY CONTAMINATED WITH RESIDUES FROM ECONOMIC POISONS

DECEMBER 8, 1969

Serial V

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QUITCLAIM RETAINED RIGHTS IN CERTAIN TRACTS OF LAND TO THE BOARD OF EDUCATION IN LEE COUNTY, S.C.

MONDAY, JUNE 9, 1969

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DEPARTMENTAL OPERATIONS
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:20 a.m., in room 1302, Longworth House Office Building, the Honorable Eligio de la Garza presiding.

Present: Representatives de la Garza, Poage, Kleppe, Mathias, and Sebelius.

Also present: Martha Hannah, subcommittee clerk and John A. Knebel, assistant counsel.

Mr. POAGE (presiding). This subcommittee will please come to order.

This is a little unusual. I think this is the first time I have ever seen this done. I am not chairman of this subcommittee but I am chairman of the committee and ex officio member of all subcommittees. Since we have some late-sleeping Democratic members I want to congratulate these gentlemen over here for getting up and getting here. We will start because we are not going to ask the witnesses to come up here, ask them to stay around and nothing happen.

I understand that Mr. de la Garza had some confusion about the day we were to hold this hearing, whether it was today or tomorrow, and he is now on his way. But in the meantime the committee will be in order for the consideration of the bill H.R. 9946 by Mr. McMillan to authorize and direct the Secretary of Agriculture to quitclaim the retained rights in certain tracts of land to the Board of Education of Lee County, S.C.

And our first witness will be our colleague, John McMillan, who is the author of the bill.

Mr. McMillan, we will be glad to hear from you.

(The bill, H.R. 9946 by Mr. McMillan, follows:)

[H.R. 9946, 91st Cong., first sess.]

A BILL To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to execute and deliver to the Board of Education of Lee County, South Carolina, its successors and assigns, a quitclaim deed conveying and releasing unto the said Board of Education of Lee County, South Carolina, its successors and assigns, all right, title, and interest of the United States of America in and to those tracts of land, situate in said Lee County, South

Carolina, containing eleven parcels, five of said parcels being more particularly described in a deed dated December 14, 1945, from the United States conveying said parcels to the State Superintendent of Education for the State of South Carolina, recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book H–1, page 388, and six of said parcels being more particularly described in a deed dated July 15, 1946, from the United States to the State Superintendent of Education for the State of South Carolina, and recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book J–1, page 288.

STATEMENT OF HON. JOHN L. McMILLAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. McMillan. Mr. Chairman, first I want to thank you for breaking into your plans to come here and help us out this morning.

I also want to thank you for arranging this meeting, as this legislation is a little urgent, since the State of South Carolina has made available funds to erect a building on this site and, of course, they cannot sell their bonds until they get free title from the Federal Government.

It seems that we have several precedents that we can go by in connection with this legislation. During the Roosevelt administration and I was here at the time, we created this Resettlement Administration, and one county in my district they used as a model. They came down and purchased 40-acre lots and sold them to any farmers that wanted to move on them that didn't have any farm or anything to do, and finally they all paid out and own the farms. The only thing left at the present time is a schoolhouse, and they are still operating the school, but it is rundown and is almost not of any service, real service. But the State is willing to make that a real serviceable school, a real high school for the entire county and make it a school settlement, if they can get a quitclaim to the land.

At this time I would like to call on Mr. Culpepper, the superintendent of schools for that county, to explain the situation to you, since he has been there ever since the Federal Government made that grant.

Mr. Poage. We will be glad to hear from Mr. Edwin M. Culpepper, superintendent of schools, Lee County, S.C.

STATEMENT OF EDWIN M. CULPEPPER, SUPERINTENDENT OF SCHOOLS, LEE COUNTY, S.C.

Mr. Culpepper. Mr. Chairman, and gentlemen, I would like to add to Congressman McMillan's remarks and thank you very much for giving consideration to this bill this morning.

Mr. McMillan failed to mention one of the reasons for the urgency in this matter and, of course, I think it is necessary that this be brought into the picture to some degree.

We are in trouble, of course, with HEW in our school, operations of our schools in South Carolina, or in Lee County at this point, and one of the matters which we are having problems with is the physical facilities that we have available in Lee County in order to provide the kind of school system that the office of education would like for us to have.

In other words, what I am trying to say, gentlemen, is that in Lee County in order for us to comply with the Office of Education's requirements as far as title VI is concerned and all other regulations, we are going to have to have a single high school for the entire county. The board is committed to this situation. The only problem, of course is site and availability of property and availability of funds.

And this Ashwood project site is, in our opinion, the very best site that we could possibly obtain in order to build this single high school unit we need in the county and in order to comply with the Office of Education's requirements.

The problem is that we cannot spend local funds or State funds in the development of this high school as long as the reversion clause stays in the deed that we are presently operating on.

In other words, they just won't let us spend money if there is a possibility that the property is going to revert to some other purpose.

We do have plans for developing that property into a single high school for the county at an investment of around a million and a half, two million dollars.

Mr. McMillan has given you a little of the history of the place. It has a rather unique and rather interesting history in that it was part of a resettlement project. The school was built by the Government in this model community that they established in this rural area of South Carolina. And as the people were able to buy their farms, buy their property, it was sold to them. And the school still stayed there. But in 1945 or 1946, right after World War II, most of the property had been bought up by individuals except for the school property, and there was still being a public school operated on this school property.

And in 1945 the veterans—or 1946, rather, the veterans started coming out of the Army, and the State was looking for a place to train some veterans, and they picked this place. And the Federal Government leased the property, or I'm sorry, they didn't lease it, they gave them a deed to the property. The original deed that the Government gave was to the State for the purpose of operating a farm and home school on this property along with a public school. And the State moved in and with their resources operated a school for veterans, what they called a Farm and Home School with the public school still being maintained and operated by Lee County.

Then as the veterans began to dwindle and there wasn't enough to keep it going, in 1954 the State decided they wanted to get out of the school, and so they turned it over to Lee County. We have been operating and maintaining it ever since. We have spent a great deal of money on it, trying to maintain it. But it has gradually been growing smaller and smaller. And now we are faced with two alternatives: either expanding it, building a high school there, or abandoning the property.

This is about the situation, Mr. Chairman. I may not have made it very clear.

Mr. POAGE. Mr. Culpepper——

Mr. CULPEPPER. Yes, sir.

Mr. POAGE (continuing). I notice that there are 11 tracts of land involved here.

Mr. CULPEPPER. Yes, sir.

Mr. POAGE. Now, I don't believe anybody has told us how much land is involved.

Mr. CULPEPPER. There is approximately 200 acres in all of it, sir. That includes a lake, which is about 30 acres.

Now, the lake is presently being maintained by the South Carolina State wildlife reserves people who are looking after it. But it is a recreational lake which is a part of this property, and there is some wooded area. There are about 90 acres of cleared land involved in it.

Mr. POAGE. There are 11 tracts.

Mr. CULPEPPER. That is right.

Mr. POAGE. Does that mean 11 separate tracts, or does that mean it is all contiguous?

Mr. CULPEPPER. It is all contiguous, yes, sir. When they originally developed this property, they took large plots of land and divided it up into segments, what they call parcels.

Mr. MCMILLAN. 40 acres.

Mr. CULPEPPER. Well, some of them are 40 acres; some of them are smaller.

Mr. POAGE. Did they give a mule with each tract?

Mr. CULPEPPER. Pardon?

Mr. POAGE. They didn't give a mule with those 40 acres, did they?

Mr. CULPEPPER. Yes, sir. At that time, when they did that, that's exactly what they gave them. They gave them 40 acres, a house, a barn, and a mule. But these tracts were just the way they were developed on the plat as the site was originally laid out. And it actually totals about 200 acres all told, about 90 acres of it usable.

Mr. POAGE. Well, now, will you use that land for a school campus?

Mr. CULPEPPER. Yes, sir. It now takes, for a comprehensive high school, it now takes from 60 to 90 acres to develop a comprehensive school plant.

Mr. POAGE. I can understand that, but it won't take 200.

Mr. CULPEPPER. No, sir. But as I say, a part of it is in a lake. Thirty acres of it is in a lake site that is being used by the community for recreation purposes. And as I say, although it is in our deed, the State wildlife resources people are actually maintaining it as a community——

Mr. POAGE. Well, did the State deed the school this 200 acres of land?

Mr. CULPEPPER. The State gave the Lee County Board of Education its rights in this land.

Mr. POAGE. Yes, and that's all the Federal Government can give you——

Mr. CULPEPPER. That is correct, sir.

Mr. POAGE (continuing). Is its rights. And its rights are merely reversionary rights, as I understand it. The State had the beneficial use of the land.

Mr. CULPEPPER. That is correct, sir.

Mr. POAGE. And the State gave you all of the rights, title, and interest that the State of South Carolina had in the land.

Mr. CULPEPPER. This is correct.

Mr. POAGE. In the whole 200 acres, the 11 tracts.

Mr. CULPEPPER. This is correct.

Mr. POAGE. And now we are asking the Federal Government to give you whatever rights, title, and interest it has in the same 11 tracts.

Mr. CULPEPPER. That is correct, sir.

Mr. POAGE. Why did the State give you 200 acres of land? Why didn't give part of that land to its department of natural resources, or whatever you call it, that handles the lake?

Mr. CULPEPPER. Well, at that time, I guess, sir, the matter just didn't come up. The original title from the Federal Government to the State of South Carolina was, of course, to the State department of education, I mean the State department of education, State board of education.

Mr. POAGE. You mean the Federal Government conveyance was to the department of education?

Mr. CULPEPPER. That is correct, sir.

Mr. POAGE. And was there only 200 acres conveyed by the Federal Government to the State?

Mr. CULPEPPER. That is correct, sir.

Mr. POAGE. I see.

Mr. CULPEPPER. The title to us is the exact duplicate of the ones that were issued ——

Mr. POAGE. I see. In other words, you are getting all that the Federal Government conveyed to the State.

Mr. CULPEPPER. That is correct.

Mr. POAGE. I didn't understand that. I thought they conveyed a great deal more.

Mr. CULPEPPER. No, sir. The rest they sold to individuals or other purposes.

Mr. POAGE. I see. And that went to the department of education of the State?

Mr. CULPEPPER. That is correct, sir.

Mr. POAGE. And now, then, all that is being requested is that the Federal Government relinquish its reversionary interest, which reversionary interest is the right to recover the land when it ceases to be used for educational purposes, is my understanding.

Mr. CULPEPPER. This is correct, sir.

Mr. POAGE. You are proposing to use it for educational purposes now. And the question now arises, it seems to me we had a similar situation in the Arizona case—what was the name of that town in Arizona? Glendale, wasn't it?

Mr. KLEPPE. Glendale.

Mr. POAGE. Glendale—where we required the local people to pay something there

As long as you are maintaining a school there, I take it that there is no problem about the Federal Government coming in and claiming any interest now, but you simply can't issue bonds.

Mr. CULPEPPER. This is correct.

Mr. POAGE. Or sell bonds. You can issue all you want to, but you can't sell bonds very successfully if there is somebody holding a reversionary interest in the real estate.

Mr. CULPEPPER. This is correct, sir.

Mr. POAGE. And what you are really trying to do is clear your title so you can issue bonds, is that right?

Mr. CULPEPPER. This is correct.

Mr. POAGE. Now, who will issue the bonds?

Mr. Culpepper. The State, of course, issues some. They have a capital outlay project in which they ——

Mr. Poage. Of course, they can issue them without regard to this action.

Mr. Culpepper. They can, but we will have to do some, also, because this is going to be a million and a half to 2 million project, and we have to get ——

Mr. Poage. How much will be your local bonding?

Mr. Culpepper. We are going to have to bond up to our statutory limitation, which will be in the neighborhood of a half a million dollars.

Mr. Poage. I think I get the picture.

Mr. Kleppe. Mr. Chairman, I just have one question I would like to ask here.

In this bill it talks about transferring this land by deed to the Federal Government, from the Federal Government to the State department of education. What kind of a deed was that?

Mr. Culpepper. It is a quitclaim deed.

Mr. Kleppe. It is a quitclaim deed?

Mr. Culpepper. Yes, sir.

Mr. Kleppe. Now, did the State department quitclaim it back out to you?

Mr. Culpepper. Yes, sir.

Mr. Kleppe. There has been no warranty deed here at all?

Mr. Culpepper. No, sir.

Mr. Kleppe. Mr. Chairman, I am wondering if in the language of this bill we might be able to put in an explanation that this is a quitclaim deed. It says "in a deed"; there is a lot of difference between a quitclaim deed and a warranty deed.

Yes, Jack.

Mr. Knebel. Sir, on line 6 of the bill——

Mr. Kleppe. What page?

Mr. Knebel. Page 1, sir, "quitclaim" appears there.

Mr. Kleppe. On page 2, then, on line 1, describing a deed, wouldn't it be well to follow through there with ——

Mr. Poage. That's merely a description of the land.

Mr. Sebelius. That's a reference.

Mr. Knebel. That's just explaining the property that would be subject to the act here.

Mr. Kleppe. Yes, you are correct. You are right. I withdraw the suggestion.

Every transaction that has taken place is on a quitclaim basis?

Mr. Culpepper. That is correct.

Mr. Kleppe. And now what you are asking from the Government is to quitclaim their reversionary rights on this as long as it is used for educational purposes?

Mr. Culpepper. This is correct, sir.

Mr. Poage. Any other questions?

Mr. Mathias. Mr. Chairman, I would like to ask Mr. Culpepper where the high school is now?

Mr. Culpepper. We have four high schools in the county at the present time, two of them predominantly white; two of them predominantly Negro. They will all be consolidated into the one. There is

a school. There is a high school at this site presently. It is a very small one. We have less than 200 children, 200 students in the high school part of it. When we wind up with a new plant, we will have 1,500 to 1,600.

Mr. MATHIAS. What will happen to the other three high schools?

Mr. CULPEPPER. The other schools will be used for other purposes, junior high schools, and so forth. It all fits into the plan that we have.

Mr. KNEBEL. Has that plan been approved?

Mr. CULPEPPER. It is about ready to be. It is in the courts. We are one of the districts down there that is involved in proceedings in the Federal court in which 22 districts—four Federal judges in South Carolina had a lot of different kinds of litigation involving the schools, so what they did was they got together and they issued an order requiring all 22 school districts that were under litigation in South Carolina to get with HEW and try to work out a plan. If they couldn't work out a plan, then HEW was to submit a plan and the district was to submit a plan and the court would arbitrate.

Those plans are now in, and we are expecting a decision of the court very rapidly. Our plan and HEW's plan both are predicated upon the construction of a single high school.

Mr. POAGE. Well, now, you are giving me some enlightenment I need badly. You have got HEW to submit a plan——

Mr. CULPEPPER. Yes, sir.

Mr. POAGE (continuing). And tell you something that they would approve.

Mr. CULPEPPER. That is correct, sir.

Mr. POAGE. That is something we have never been able to get them to do. They will discuss it with you, but they won't tell you what you have got to do.

Mr. CULPEPPER. The only way we were able to do it, sir, was by court order. Our local judges issued an order, and in the order they required the Office of Education to present a plan.

Mr. POAGE. Well, that is fine. That's a great deal more than we have ever been able to get out of them. We are going to want to see your lawyers, probably.

Mr. MATHIAS. Could I ask another question, please?

Mr. POAGE. Certainly.

Mr. MATHIAS. Did HEW recommend one big high school——

Mr. CULPEPPER. Yes, sir.

Mr. MATHIAS (continuing). Or did they suggest adding on to a present high school?

Mr. CULPEPPER. No, they agreed with us that the only solution is a new plant. Our facilities simply are not, none of our other facilities except this one have the space or the possibility of being developed into a single high school. The most land that we have on any other single site will be about 20 acres, and that is pretty well enclosed with no opportunity for development. And they went right along with us. And it was their suggestion, also, that this be the site if it could be arranged.

Mr. DE LA GARZA (presiding). Are there any further questions of Mr. Culpepper?

If not, thank you very much, Mr. Culpepper.

Mr. CULPEPPER. Thank you, gentlemen.

Mr. DE LA GARZA. Mr. McMillan.

Mr. McMillan. Thank you.

Mr. de la Garza. I apologize for being late here, but we got a little involved in a time schedule.

Mr. McMillan. I get mixed up on some of these meetings occasionally myself.

Mr. Kleppe. We had a first-class stand-in.

Mr. de la Garza. We now have Mr. James E. Lee, Farm Management Specialist, Farm Ownership Loan Division, Farmers Home Administration, USDA.

Mr. Lee is accompanied by Mr. Campbell, Assistant General Counsel for Rural Development and Conservation, Office of the General Counsel. USDA.

We are very happy to hear from you, Mr. Lee.

STATEMENT OF JAMES E. LEE, FARM MANAGEMENT SPECIALIST, FARM OWNERSHIP LOAN DIVISION, FARMERS HOME ADMINISTRATION, USDA; ACCOMPANIED BY HOWARD CAMPBELL, ASSISTANT GENERAL COUNSEL FOR RURAL DEVELOPMENT AND CONSERVATION, OFFICE OF THE GENERAL COUNSEL, USDA

Mr. Lee. Thank you, Mr. Chairman and members of the committee, we have no official report this morning. We have been unable to get a report through the Secretary at this time. The Budget Bureau has not had an opportunity to fully study this bill and its ramifications upon the administration's program.

Therefore, Mr. Campbell and I will be glad to answer any questions the committee might have.

Mr. de la Garza. Do you have any indication if a report is forthcoming in the very near future?

Mr. Lee. Yes, sir. We have indication that the report is forthcoming, but it will not have clearance of the Budget Bureau.

I might say that a little explanation is needed. When we received the request for the report, we obtained additional information from the Archives, and we found that the reversionary right in the property is not only owned by the Government, it is also partially owned by the South Carolina Rural Rehabilitation Corporation. The Government has 61.9 percent interest in the rights. South Carolina Rural Rehabilitation Corporation has 38.1 percent interest. We, therefore, recommended two changes in the bill: First, to include the Interior Department, because that Department has jurisdiction over the minerals: second, to include the South Carolina Rural Rehabilitation Corporation.

In the proposed report the South Carolina Rural Rehabilitation Corporation would have to give their consent for FHA to consider.

Mr. Campbell, you may want to shed some light——

Mr. Poage. You mean the South Carolina Rural Rehabilitation Corporation would have to execute a deed itself. When you say "give their consent" you mean they would have to execute a deed the same as the Federal Government would have to?

Mr. Lee. That is correct; yes.

Mr. POAGE. Because there has been an actual deed passed to the South Carolina Rural Rehabilitation Corporation. There has been no deed passed to the Department of the Interior, has there?

Mr. LEE. No, sir.

Mr. POAGE. Then why does the Department of the Interior have to be made a party to this if the Congress directs that a deed shall be issued? And this bill doesn't simply tell the Secretary of Agriculture that he may; it says that he shall execute and deliver a quitclaim deed.

Now, the Interior Department, why is it involved? It is only involved because some time back there was an Executive order that transferred the management of these minerals to the Department of the Interior, isn't that right?

Mr. LEE. It is partially correct. There was a Public Law 760 dated September 6, 1950, that required all minerals to be turned over to the Department of Interior after September 5, 1957.

Mr. POAGE. For administration.

Mr. LEE. For administration; that is correct.

Mr. POAGE. But it didn't change the ownership. The ownership is in the United States of America, isn't it?

Mr. CAMPBELL. That is correct, Mr. Poage, but the transfer to Interior was for administration, pursuant to the Mineral Leasing Act.

Mr. POAGE. Yes.

Mr. CAMPBELL. And we felt that in order to avoid any question of title being raised after this bill should be enacted, the title examiners might well feel that the jurisdiction to execute the conveyance of the minerals under the Mineral Leasing Act is in the Secretary of Interior at this time rather than the Secretary of Agriculture.

Mr. POAGE. Well, now, is that correct? I think maybe you are.

Mr. CAMPBELL. I think it has a substantial legal base for that position; yes, sir.

Mr. POAGE. You think the title to the minerals is in the Secretary of Interior and not in the Secretary of Agriculture?

Mr. CAMPBELL. No, the title is in the United States, but unless there is some direction by this committee which would put it back under the jurisdiction of the Secretary of Agriculture, then a question of the authority of the Secretary of Agriculture to execute this conveyance of the minerals might be raised.

Mr. POAGE. I can understand that. Of course, if the bill said the Secretary of Agriculture is authorized and directed to execute and deliver to the Board of Education, and so on, a quitclaim deed on behalf of the United States of America, that would take care of it, wouldn't it?

Mr. CAMPBELL. I think if the Congress so directs, I would be satisfied with it as a title examiner.

Mr. POAGE. I think so, too. Well, it goes on and says that a deed conveying and releasing unto the said board of education, its successors, and so on, all the right, title, and interest of the United States in these tracts of land. And if we tell him to release all the interest of the United States of America, we have got the same right to tell him that we had to say, to turn this over to the Secretary of the Interior for administration, haven't we?

Mr. CAMPBELL. I think you have that right, Congressman Poage. I think it would mesh a little more cleanly with the Mineral Leasing

Act if the Secretary of the Interior joined in this deed, because he does have the total disposition—

Mr. POAGE. Well, the only objection I have to putting it in that way in this bill is don't we then run into a question of jurisdiction out here on the floor about the committee's jurisdiction and don't we avoid it all when we convey interest of the United States of America, and pretty clearly if we say here "On behalf of the United States of America"?

Mr. CAMPBELL. These are questions which, of course, our proposed report flushes with the Budget Bureau. And since we are not speaking except for our Department proposal, this may be one of the questions that will be resolved in the Budget Bureau when we get clearance.

Mr. POAGE. Well, as a lawyer for the Department of Agriculture, don't you think that it would convey complete release of everything the United States of America owns if we simply added here—add here that the Secretary should execute this deed in behalf of the United States of America?

Mr. KNEBEL. It will have to, sir, as a grantor. The title is not in the Secretary himself.

Mr. POAGE. No, I know it isn't.

Mr. KNEBEL. He is just a trustee on behalf of the Government, and all he is doing is quitclaiming, so I do not see where we have any problem.

Mr. POAGE. All he is doing is quitclaiming, of course. But if he does not have, if he does not have the authority to quitclaim, it would be just like me issuing a quitclaim to do it, but it would not do you much good.

Don't you think, Jack, that we ought to say, that if Congress says do it in behalf of the United States of America, then he is the agent?

Mr. KNEBEL. The only problem I have is whether or not the Mineral Act actually transferred title or just administration.

Mr. POAGE. Whichever it does, if we tell the Secretary of Agriculture to sell it in behalf of the United States of America, then it does not make any difference what the Mineral Act does, does it?

Mr. KNEBEL. That is correct, sir.

Mr. POAGE. This is the last act.

Mr. KNEBEL. That is correct, sir.

Mr. POAGE. And it would seem to me that it will give us a little smoother operation here than for us to call on the Secretary of the Interior to get the same results. I agree with you, if you called on the Secretary of the Interior. But if we do, we run into the problem out here on the floor of, well, why did that bill come out of Agriculture?

It just seems to me that we can work this a good deal smoother if we leave the Secretary of the Interior out of it. And I do not assume that the Secretary of the Interior has any objection to this, does he?

Mr. CAMPBELL. We have not talked to them, Mr. Poage. But we have had similar instances in other tracts of land.

Mr. POAGE. Well, does he object to these settlements?

Mr. CAMPBELL. There have been some tracts in which a consideration was recommended for the release of minerals.

Mr. POAGE. That has been a dollar an acre, has it not, where there are no minerals involved?

Mr. LEE. It is a dollar an acre, or a fair market value, if the minerals have a value.

Now, as I understand it, there has been no mineral activity in this

county at any time. I talked to our chief of real estate loans, who was the project manager of this project back in the early days, Ashwood project, so there is no activity, and I do not know whether there would be any charge or not.

Mr. KLEPPE. Would you yield, Mr. Chairman, for a question right here?

Mr. POAGE. Certainly.

Mr. KLEPPE. It is along the same line, but it goes back to this South Carolina Rural Rehabilitation organization.

Is this a going organization that can quitclaim their rights in this thing?

Mr. LEE. Yes.

Mr. KLEPPE. This quitclaim deed from them is obtainable?

Mr. LEE. That is right. They have a president, Mr. Frank Culp, who was once our State director. He has been informally contacted about this. He could not bind himself nor the directors, but he was willing to consider it.

Mr. KLEPPE. Now, one final question here, and I think I should ask this of you, Mr. Campbell:

If the suggestion that Mr. Poage has just made regarding conveying this on behalf of the U.S. Government is followed, and if this quitclaim deed can be obtained from South Carolina Rural Rehabilitation Association, would you then, in your opinion, believe that this would clear the title from the standpoint of their problem?

Mr. CAMPBELL. As a Government lawyer, I think I could argue that this is a valid conveyance of all the interest of the United States.

Since bond issues will be involved here and since some of the bonding attorneys are very technical we leaned over backward to make a suggestion to the committee which we thought would eliminate any possible doubt in the authority to convey the mineral interest. That was our sole purpose. And we, of, course, do recognize the point Chairman Poage made about the committee jurisdiction being involved; but I could make a good legal argument that all of the interests of the United States would be conveyed.

Mr. DE LA GARZA. Counsel, I have a question here, but mine runs along the line of Texas law, because that is where I studied, and that is where I practiced. But the quitclaim part of it, in Texas it means something other than what you are trying to do here.

Do you quitclaim when there is a cloud on the title?

We have a warranty deed when you have clear, unencumbered title to the land.

Mr. KNEBEL. Sir, this is simply a reversionary right, so in effect it is a cloud.

Mr. DE LA GARZA. Now, we are removing the reversionary clause.

Mr. KNEBEL. That is correct, sir.

Mr. CAMPBELL. There is a general rule in the Federal Government that without a specific authorization to convey by warranty deed, all of the Government's interest conveyed out is by quitclaim deed.

Mr. DE LA GARZA. Fine.

Mr. CAMPBELL. I am not able to tell you at this time whether the title of Lee County is subject to other reservations, reversions, or exceptions or not. I have not gone into the title records which were examined at the time the Government acquired this land.

Mr. DE LA GARZA. As far as the Government is concerned, you are quitclaiming a reversionary interest?

Mr. CAMPBELL. The bill so provides and, also, we are suggesting that committee's attention be directed to this mineral reservation as well as the reversionary right. That does not show up from the bill, but when you look at the conveyances out of the Government you will see we reserve all the mineral rights as well as the reversion, should the land ever cease to be used for school purposes.

Mr. DE LA GARZA. Do you have any other questions?

If the Chairman does not have any further questions, we thank you very much for appearing this morning, Mr. Lee and Mr. Campbell.

Mr. CAMPBELL. Thank you, Mr. Chairman.

Mr. DE LA GARZA. If there are no further questions—do you have a further statement, Mr. McMillan?

Mr. MCMILLAN. Yes, sir. I would like to state something about this South Carolina Rural Rehabilitation Bureau.

That was created during the depression and, I thought, died immediately after, 30 years ago. I have never heard of it since.

Mr. POAGE. I know that there was one in my State, and I am sure they did it in every State. There was one in every State in the Union.

Mr. KLEPPE. That is why I asked the question. I thought it was defunct, also, out of business.

Mr. MCMILLAN. It is dead in my State, I think.

Mr. DE LA GARZA. I think it might be well, Mr. McMillan, if you would get us for the record a statement from this district as to their acquiescence to the legislation and to the action being taken by this committee.

Mr. MCMILLAN. All right, sir.

(The following telegrams were received concerning the above matter:)

COLUMBIA, S.C. *June 9,1969.*

Hon. JOHN L. MCMILLAN,
Vice Chairman, House Agriculture Committee, House Office Building, Washington, D.C.:

Our organization has no objection to Federal Government granting quit claim to Lee County Education Department on Ashwood property.

R. F. KOLB,
President, Board of Directors, South Carolina Rural Rehabilitation Corp.

COLUMBIA, S.C., *June 11, 1969.*

Hon. W. R. POAGE,
Chairman, House Agricultural Committee,
Longworth House Office Building,
Washington, D.C.

Necessary legal instruments for conveyance of the South Carolina Rural Rehabilitation Corp. interests in the Lee County, Ashwood School property are being prepared for consideration by the board of directors of the corporation.

R. F. KOLB,
President, South Carolina Rural Rehabilitation Corp., FHA.

Mr. DE LA GARZA. And subject to that, we will stand recessed on this bill, subject to the call of the Chair.

Mr. MCMILLAN. Thank you very much.

(Thereupon, at 10:55 a.m. the hearing was recessed, subject to call of the Chair.)

REMOVE CERTAIN RESTRICTIONS AGAINST ALCOHOLIC BEVERAGES UNDER TITLE I OF PUBLIC LAW 480

WEDNESDAY, OCTOBER 1, 1969

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DEPARTMENTAL OPERATIONS OF THE
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 1301, Longworth House Office Building, Hon. Eligio de la Garza (chairman of the subcommittee presiding.

Present: Representatives de la Garza, Purcell, Kleppe, and Sebelius.

Also present: Hyde H. Murray, associate counsel; and Martha Hannah, subcommittee, clerk.

Mr. DE LA GARZA. The subcommittee will come to order.

We have met today to consider H.R. 901 by Mr. Sisk of California.

(A copy of H.R. 901 by Mr. Sisk, follows:)

[H.R. 901, 91st Cong., first sess.]

A BILL to amend section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended, in order to remove certain restrictions against alcoholic beverages under title I of such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1732), is amended by inserting after the first sentence thereof a new sentence as follows: "The foregoing proviso shall not be construed as prohibiting representatives of the alcoholic beverage industry from participating in market development activities carried out under title I of this Act which have as their purpose the expansion of export sales of United States agricultural commodities."

Mr. DE LA GARZA. We will be very happy to hear from you, Mr. Sisk.

STATEMENT OF HON. B. F. SISK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. SISK. Thank you, Mr. Chairman. My apologies. I was over in the other room thinking that was where we were meeting. I suddenly realized this is the room.

I appreciate very much, Mr. Chairman, the opportunity to have the bill H.R. 901, called up this morning because it is a matter that I am personally concerned with and that my district is very much concerned with.

I have a very brief statement. It will only take a couple of minutes, so with your permission, I will just read it.

Mr. DE LA GARZA. Very well.

38-351—70——2

Mr. Sisk. Mr. Chairman, a number of years ago in an effort to be sure that alcoholic beverages were not included in any of the foreign food programs under Public Law 480 an amendment was written into the law to say that the term "agricultural commodity" shall not include alcoholic beverages. The intent clearly was to make certain that we would not be sending alcoholic beverages overseas as part of our international assistance programs.

Unfortunately, the language of the amendment was not tightly enough drawn and the restriction, it was discovered, applied in areas where it was never intended to apply.

The area of our concern relates to the fact that the amendment prohibits the inclusion of alcoholic beverages, more specifically wine, Mr. Chairman, in which I am particularly interested and California specifically, in officially sponsored overseas trade promotion activities. As you know, the wine industry has for several years been attempting to expand its overseas markets and in line with that policy has participated in a number of trade expansion promotional programs. Many of these trade programs are carried out by the Department of Agriculture as part of its on-going effort to assist in the expansion of markets for the output of American agriculture. Wine, of course, is such a product.

The Department of Agriculture has indicated its support of this bill and I know of no opposition. Your favorable action, Mr. Chairman, is respectfully requested.

That concludes my statement, Mr. Chairman.

I might say I have with me this morning a gentleman representing the industry from California, who at your convenience, Mr. Chairman, would like to make a statement and whom I will be happy to introduce at the appropriate time.

Mr. de la Garza. Thank you very much, Mr. Sisk. Are there any questions of Mr. Sisk?

We would be very happy to hear from Mr. McColly.

Mr. Sisk. Mr. Chairman, if I might, Mr. Don McColly, former president of the California Wine Institute and a longtime personal friend of mine is here and very knowledgeable on the subject. I am very happy to introduce him to the committee. Mr. McColly.

STATEMENT OF DON McCOLLY, CONSULTANT AND FORMER PRESIDENT, CALIFORNIA WINE INSTITUTE

Mr. McColly. Mr. Chairman, members of the committee, my statement is slightly longer than Congressman Sisk's but it is not a long statement and if I may read it, I will get it before the committee quickly.

Mr. de la Garza. We will be very happy to hear from you and we know that Mr. Sisk has a subcommittee meeting so if you must get back to your subcommittee or if you would like to stay with Mr. McColly—we are at your pleasure.

Mr. Sisk. Thank you, Mr. Chairman.

Mr. McColly. My name is Don W. McColly. I appear here on behalf of Wine Institute, a trade association of producing wineries located in the State of California. Wine Institute's membership produces approx-

imately 90 percent of all wine production in California and sells approximately 78 percent of all wine consumed in the United States.

H.R. 901 seeks to amend section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended, in order to remove certain restrictions against alcoholic beverages under title I of such act. Wine Institute respectfully urges that this bill be approved and passed.

The restriction referred to in the existing statutes provides that the term "agricultural commodity" shall not include alcoholic beverages. It is that restriction which is removed by H.R. 901.

As an aside remark, I might comment that in 1966, I believe it was, Senator Cooper introduced this restrictive amendment which accidentally covered these trade fairs and that was not his purpose at that time and he so stated, and last year when an act similar—a bill similar to this was before the Senate, Senator Cooper joined with Senator Kuchel, of California, in asking that this restriction be removed at that time.

One of the principal purposes of Public Law 480, of which the pertinent sections are a part, is to increase the consumption of U.S. agricultural commodities in foreign countries. Pursuant to this legislation the U.S. Department of Agriculture through its International Trades Division and the Department of Commerce sponsor trade fairs and promotions in various countries of the world. The American wine industry has only in recent years been able to initiate the development of foreign markets. The industry has been requested by the U.S. Government on numerous occasions to participate in such trade fairs and promotions. Such participation has not been deemed feasible until an actual placement of the wine industry's product has been made in an area served by such a trade fair.

Our wines presently have been placed in about 50 countries and some of these placements are actually only token in character. It is, therefore, imperative that if the American wine industry is to develop a proper foreign market, all vehicles of promotion should be available to it. Even more important is the need to be sure that there are no restrictions placed against the promotion of wine products through the definition presently contained in Public Law 480 and which H.R. 901 seeks to correct.

Within the year, in fact it is a little over a year ago, the U.S. Department of Agriculture advised the industry that its previous plans to exhibit its products in a foreign trade promotion sponsored by the Department of Agriculture would have to be canceled.

Prior to the inclusion in Public Law 480 of the restrictive phrase, private U.S. commercial firms engaged in the wine business were permitted to display their products in U.S.-sponsored promotion activities overseas. The passage of H.R. 901 will permit members of the American wine industry to continue to participate or resume participation in such joint industry-Government activities abroad, thus strengthening the export expansion drive for farm commodities.

Wine is truly a farm commodity. A great portion of the wine produced in the United States is either by small family enterprises or by farmer cooperatives. Approximately 50 percent of wine production in California is by such farmer cooperatives. Only a small percentage of the production of wine is by what might be termed a corporate entity.

Wine is the principal use of grapes produced by thousands of farmers. Therefore, in order that the American wine industry may be provided an opportunity to display its products to large numbers of potential customers in foreign markets and be treated equitably with other agricultural commodities in the programs of the U.S. Departments of Agriculture and Commerce in their overseas market development program, we again respectfully request the approval of H.R. 901.

If you have any questions I would be very happy to try to answer them.

Mr. DE LA GARZA. Thank you very much, Mr. McColly.

Mr. Kleppe?

Mr. KLEPPE. Mr. McColly, this language of alcoholic beverages raises a question in my mind, and I was just looking at the language in the report from the Department of Agriculture. Maybe this explains what I am thinking about.

First of all, I am thinking including alcoholic beverages in this act might raise some objections from people who are not imbibers. Then I look over here at the language from Secretary Hardin and he says: "We further understand that this proviso"—referring to H.R. 901—"would be construed to apply only to the products of U.S. commercial firms engaged in the alcoholic beverage industry."

Now, do you understand that primarily to limit it to wines?

Mr. MCCOLLY. No, I do not.

Mr. KLEPPE. Does that include liqueurs, for example?

Mr. MCCOLLY. As I read the language by the Department, it would include alcoholic beverages of any nature produced by American firms.

Mr. KLEPPE. Whether it is bourbon whisky?

Mr. MCCOLLY. That is right.

Mr. KLEPPE. Whether it is scotch whisky?

Mr. MCCOLLY. That is right.

Mr. KLEPPE. Whether it is vodka or gin or whatever it might be?

Mr. MCCOLLY. That is correct.

Mr. KLEPPE. That is the way you understand it.

Mr. MCCOLLY. That is the way I understand the present amendment. Our interest, of course, is wine.

Mr. KLEPPE. Yes. This is why I am wondering and, Mr. Chairman, may I ask you, did we have any requests from other witnesses to testify insofar as the alcoholic beverage definition or what it might include is concerned? Do we have any witnesses who requested to appear on this?

Mrs. HANNAH. No, sir.

Mr. DE LA GARZA. Not that I know of.

Mr. KLEPPE. It is kind of hard for me to realize that there would not be somebody objecting to the total inclusion of all alcoholic beverages. The wine aspect I can understand and I can understand your position very, very well and it seems to me that is very clear.

Mr. MCCOLLY. You can imagine my reaction when the restrictive amendment was introduced in 1966 from Senator Cooper of Kentucky.

Mr. DE LA GARZA. That did not make sense, did it?

Mr. MCCOLLY. It did not make sense at all at the time and then, however, it had to do with the—as I understand it, his amendment was aimed at not permitting the Department of Agriculture to expend moneys in purchase as could be done under other sections of that law.

He did not realize that the phraseology of his amendment actually cut out the display of materials in these trade centers and trade shows.

Mr. KLEPPE. The point you make about the identity of wine to agriculture, I think, is a good one. Do you think that applies to other alcoholic beverages?

Mr. MCCOLLY. I can only answer that one this way: Most alcoholic beverages, as I understand them in the distilled spirits business, use grains and so, therefore—there were a number of years, years ago, when I was with the California Farm Bureau Federation and appeared before some of your committees on agricultural matters and I would have to say under those circumstances I would have been arguing in behalf of agriculture that agricultural commodities were involved. I have no purpose in carrying any position for the distilled spirits industry in the least. Certainly in wine—in California half of our grapes, half of the Nation's grapes practically go into wine and it is an agricultural product.

Mr. DE LA GARZA. I think the original intent was that alcoholic beverages be not included in the commodities which under Public Law 480 you would negotiate with other countries to provide with the soft loan or with the Public Law 480-type agreements. It was meant as the name was changed later to Food for Freedom or Food for Peace—I do not know which one we are using now—and that would make sense, that a hungry nation we were helping with grain or with items necessary and which were in surplus at the time which was the initial intent of Public Law 480, that we use our surplus to help feed other countries, and I can see very well that the restriction on alcoholic beverages had been wise. And your testimony—and I believe the testimony of the Department—will be that you have no quarrel with this limitation.

Mr. MCCOLLY. None whatsoever.

Mr. DE LA GARZA. It is only that the expansion of this restriction prohibits you from exhibiting your wares, we might say, at these fairs and this is the interest which you have now.

Mr. MCCOLLY. That is it completely. We would perfectly approve that restriction because we have—the question of participating in any way financially is not involved. The Department does rent buildings. They provide the space factors. And the like, and very frankly from a wine standpoint, certainly from a wine man's standpoint, we think a trade fair—its appearance and all—can be enhanced by the inclusion of wines. It is an item which is of interest overseas. American wines they do not know too much about and they are interested in them, and that is all we wish to do, is to again have that opportunity to have the display.

Mr. KLEPPE. Following through on this very line of thought, Mr. McColly, then very specifically that is what H.R. 901 provides.

Mr. MCCOLLY. That is correct.

Mr. KLEPPE. To give you the opportunity to display and merchandise your wares at these rural trade fairs.

Mr. MCCOLLY. That is correct, sir.

Mr. KLEPPE. This is the purpose.

Mr. Chairman, I did not raise my questions because of feeling any sense of opposition to H.R. 901. I only raise this question because whenever you get down to a definition of alcoholic beverages and you

tie it in with Public Law 480, some people might get the idea, my, oh, my, we are now going to start to use this as a giveaway product within the framework of Public Law 480 or we are going to take soft loans for it, I can see this raising some questions.

Mr. McColly. Yes, and if it did that it would run into 100—it would run into terrific opposition, frankly.

Mr. Kleppe. I think now the record is perfectly clear on the intent and purpose of this and I appreciate the answers to my questions.

Mr. Murray. To follow up on Mr. Kleppe's question on that, it is the purpose that you had in mind to permit displays and the advertising in the trade fairs that are held under the Public Law 480 promotion program?

Mr. McColly. That is correct.

Mr. Murray. Now, in the context of the language that is in the bill—under Public Law 480 there are a number of other cooperative industry-Government programs in the market development area and foreign currencies are set aside in the countries in which they are generated to the tune of 5 percent, and 2 percent of those are earmarked to become convertible into currencies that can be used in markets which are more promising for the development of American exports than in some of the underdeveloped countries.

And part of that program, too, is a cooperative industry-Government cost-sharing arrangement in which the industry pays for part of the promotion expenses and the Government pays for part of the promotion expenses to send salesmen, you might say, into these countries to help sell American produce. Do you envision using that aspect of the market promotion program or just the display part?

Mr. McColly. No. I do not envisage utilizing that, not because I would not like to in many respects, but it does not fit our industry.

Now, the canning industry, like with peaches, I believe the canning—certain phases of the canning industry have participated in this program and it lends itself in the display material and everything else ideally to that. The California wine industry has a limited number of producers that are capable of going in and developing foreign markets. It is extremely competitive. It is much more competitive than Del Monte-Libby competition. And a number of years ago I took a look at—took a whole big look in depth at this legislation and my brands I just—we just could not pull together that kind of a program within the wine industry itself to do that kind of a thing. So it would not work.

Mr. Murray. I want to draw your attention, though, to the language in the bill that says, "The foregoing proviso shall not be construed as prohibiting representatives of the alcoholic beverage industry from participating in market development activities"—in the plural, which, display is one but cooperative methods of another—"carried out under title I of this act and which have as their purpose the expansion of export sales of U.S. agricultural commodities."

What I am trying to flag for you and the subcommittee is that the language of the bill is broader in scope than just the participation in display activity which is your purpose.

Mr. McColly. Is it not possible—am I wrong on this? It is my understanding that some of those cooperative efforts that you refer to

are actually embodied in other sections of the bill and not the section related here.

Mr. MURRAY. They are all in title I. Title I covers the market promotion programs under section 104(b).

Mr. MCCOLLY. I see.

Mr. MURRAY. And the definition you are adding in your bill is going to another title, title IV, which defines agricultural commodities.

Mr. MCCOLLY. I will be very honest about one thing. I would hate to see if the language—if this language does as you think it does and would open up some of these other activities to the wine industry, I would hate to see that prohibited because I firmly believe that alcoholic beverages, in this instance wine, it is a legal product and it should be entitled to all the rights and privileges of any other product. And I have told you I believe it that our industry just cannot collectively handle itself to participate in some of the things that are done under this program in cooperative efforts overseas, utilizing earmarked funds and that type of thing. And I certainly do not see any use of it. I would hate—if your interpretation is right, I would hate to see you go ahead and make further restrictions.

Mr. MURRAY. Well, I offer this observation not in opposition to your idea but to get on the record your basic purpose and then the scope of the language because the language will go into the law and the law will perhaps be then construed the way I have construed it or if the subcommittee attaches its attention to it in a different manner.

Mr. MCCOLLY. You know, you do not develop overseas markets overnight. One of the embarrassing situations which we got into really was when the Government decided to have wine served and recommended that it be served in all American embassies. Well, within 24 hours we were expected to have five cases of wine in La Paz, Bolivia, and 10 cases of wine in some little country in Africa. It was impossible. We did not have the distribution system. So, we were embarrassed about it.

Now, we have wine in over 50 countries but most of it is token at this time. Business in England is developing, in Japan, some other areas of the East, a little in the Mideast. The European—in Western Europe at the present time we do not have any marketing in France, Italy, Spain, Germany, but all those governments have assured the industry and our Government of the necessary quotas and so we are now at the point where a number of our brands which have set up market development programs of their own are now wanting to start taking advantage of the trade first. And so our sole interest is this trade fair, the right to have our exhibits, not participate in some of these other market development programs at this time.

Mr. KLEPPE. I wonder if it would be possible, Hyde, to clarify the position you have just raised in the report covering this bill.

Mr. DE LA GARZA. Let us wait and see what the Department witness has in his testimony and we can develop that further. Do you have any questions, Mr. Sebelius?

Mr. SEBELIUS. No.

Mr. DE LA GARZA. Thank you very much, Mr. McColly. If you will be so kind as to bear with us while we hear from the Department their testimony and then if you might be available we might have some further questions.

Mr. McColly. Thank you very much. I will be very interested in hearing that testimony in the light of the comments by you, sir.

Mr. de la Garza. Thank you very much.

Mr. Sisk. Mr. Chairman, if I could, I would like to introduce Mr. Art Silverman—he has no statement—local counsel for the Wine Institute in Washington, D.C. I just want to introduce him to the committee. He is locally interested.

Mr. de la Garza. We are happy to have you here, Mr. Silverman, and we will so state in the record and if you have any statement we will be very happy to hear from you. If you would like to submit one——

Mr. Silverman. I go by Mr. McColly's statement.

Mr. de la Garza. Thank you very much.

We will now hear from Mr. McClarren, International Trade Fairs Division, Foreign Agricultural Service, USDA.

STATEMENT OF J. K. McCLARREN, DIRECTOR, INTERNATIONAL TRADE FAIRS DIVISION, FOREIGN AGRICULTURAL SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. McClarren. Mr. Chairman, I have no prepared statement. I am here primarily to answer any questions that the committee may have. The position was stated clearly in the letter of Secretary Hardin which you quoted from a moment ago in which I think the two points mentioned have been discussed at some length.

The Department does recommend that the bill be passed. Secondly, it clarifies the fact that this will be primarily in the trade promotion area. It does not involve conditional purchases made under other sections of the Food for Peace Act.

Mr. de la Garza. Without objection, we will include the letter from the Secretary to the chairman of the committee stating the views of the Department.

(The letter referred to follows:)

Department of Agriculture,
Office of the Secretary,
Washington, D.C. September 3, 1969.

Hon. W. R. Poage,
Chairman, Committee on Agriculture,
House of Representatives, Washington, D.C.

Dear Mr. Chairman.: This is in reply to the request from your office dated May 14, 1969, for a report on H.R. 901 by Mr. Sisk, "To amend section 402 of the Agricultural Trade Development and Assistance Act of 1954, as amended, in order to remove certain restrictions against alcoholic beverages under Title I of such Act."

This Department recommends that the bill be passed.

This bill would clarify the language of the Act to insure that alcoholic beverage manufacturers retain equal opportunity to participate in overseas trade promotion activities sponsored by the Department as in previous years.

Since the inception of P.L. 480 alcoholic beverages have never been financed under sales agreements or donated under the provision of the legislation. The present legislation does not provide authority for such transactions, and the proposed amendment will not change these requirements. However, prior to the enactment of the Food For Peace Act of 1966, private U.S. commercial firms engaged in the wine and alcoholic beverage business were permitted to display their products in U.S.-sponsored promotion activities overseas. This bill will permit them to resume participation in such joint industry/government activities abroad, thus strengthening the export expansion drive for farm commodities.

As a part of its continuing overseas market development program, the Department organizes and stages trade fair and trade center exhibits and arranges for instore promotions for U.S. food and agricultural products. Many of these overseas activities provide an opportunity for private firms to display their products to large numbers of potential customers, and representatives of these U.S. firms are exposed to the leading tradespeople with an interest in the products being shown.

All agricultural products provided for display and promotion at these events must be composed principally of ingredients produced in the United States. Since grapes used in the manufacture of wine and various grains used in the distillation of alcoholic beverages meet the eligibility requirements for our program, these products should be afforded equal opportunity for overseas display and promotion at United States sponsored activities.

We recommend that the intent of the bill be clarified by amending the sentence which would be added to section 402, to read as follows: "The foregoing proviso shall not be construed as prohibiting representatives of the alcoholic beverage industry from participating in market development activities carried out with foreign currencies made available under title I of this Act where such participation has as its purpose the expansion of export sales of alcoholic beverages produced from United States agricultural commodities." We further understand that this proviso would be construed to apply only to the products of United States commercial firms engaged in the alcoholic beverage industry.

Approval of the amendment is not expected to increase materially the cost to the Department of its overseas exhibits since it is not anticipated that such participation will increase the overall space devoted to such events.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

CLIFFORD M. HARDIN,
Secretary of Agriculture.

Mr. DE LA GARZA. In light of that, Mr. McClarren, we would be happy to hear from you regarding the question raised by Mr. Hyde Murray, our committee counsel.

Mr. MCCLARREN. This would require legal interpretation. It would appear that the language would permit the wine producers possible consideration to enter into a cooperative marketing agreement with the Foreign Agricultural Service such as we have with other agricultural commodity groups. However, agreements must be jointly financed and this committee has the opportunity to preview all such arrangements.

Mr. DE LA GARZA. The letter from the Secretary states that:

Since the inception of P.L. 480 alcoholic beverages have never been financed under sales agreements or donated under the provision of the legislation. The present legislation does not provide authority for such transactions, and the proposed amendment will not change these requirements.

So that should suffice for the original question as to whether it would be included in the items donated or sold under agreements to other countries.

The further question is whether—entitlement then to the representatives of alcoholic beverages to participate in the use of Public Law 480 funds in the various countries for joint promotion programs. I agree with Mr. McColly that I do not see why you would discriminate if you allowed him to exhibit and then not allow him to participate in promotions whereby you pool your resources, but we must have a clear record of the proceedings in order that we might be able to fully explain this legislation on the floor as I am sure that there would be questions raised along these lines. And, therefore, we would like to have the record as clear as possible as to whether it is the intent of the Depart-

ment and the intent of the industry and the intent of the subcommittee and eventually the committee that this be done or that there be restrictions placed on them and allow them only to participate in the actual fair.

Mr. Kleppe or Mr. Sebelius, do you have any questions?

Mr. KLEPPE. I would like to yield to Mr. Murray, if I could, to pursue specific questions with Mr. McClarren on the subject. I yield to Mr. Murray.

Mr. MURRAY. I was going to ask Mr. McClarren the distinction between the amended language that the Department suggested in their report and the language that is in the bill itself as to whether the intent of the Department's language was to limit it to display and trade promotion activities as distinguished from cooperative marketing efforts overseas.

Mr. MCCLARREN. I am sure the intent dealt only with the trade fair activities which include various types of trade promotions overseas.

Mr. MURRAY. In the Department's letter, Mr. Chairman, the language of the Department amendment is noted there and it is slightly different, I guess—I have not had a chance here to exactly tell what the different words are.

Mr. DE LA GARZA. Yes. I see there the Department in effect endorses that they shall not be prohibited from participating in the market development. I see a safeguard nonetheless in the legislation where there is a proviso for notice and a period wherein the President and the committees of the Senate and House would have oversight as to the use of this 5 percent which I think should be adequate under the circumstances and if there should be any objection both through the Senate and the House committees as submitted to them by the President.

Is that your interpretation of that?

Mr. MURRAY. Yes. Of course, the committee has for many years been extremely interested in this market promotion aspect. It has been one of the central interests of the House Agriculture Committee in Public Law 480 together with some of the other humanitarian and other goals in the legislation. Market promotion has had a high priority and the committee through their advisory structure follows the institution and the administration of these market promotion programs. It does not hold a veto power by law over those programs but has, as Mr. de la Garza says, an oversight function in this and I think always looks to Public Law 480 and its administration to keep public support and broad congressional support that it has enjoyed through the years. So that part of it would still apply.

You would have a chance to review or to see some of the things that were being planned.

Mr. MCCLARREN. That is right.

Mr. KLEPPE. Mr. Chairman——

Mr. DE LA GARZA. Mr. Kleppe.

Mr. KLEPPE. Mr. McClarren, is it coincidental that the language used on page 2 of the report from Secretary Hardin referring to the change in language is a little different than the bill itself? There are words in here which are, "With foreign currencies made available." which are in the report and not in the bill. Is there any significance to the inclusion of those words in the report?

Mr. McCLARREN. Where is the statement, sir? I have not found it yet.

Mr. KLEPPE. I am on page 2 in the middle of the second paragraph where is recited the provisos of the bill. There are added those words that I just recited in the statement that are not in the bill. What, if anything, is attached to that? I think this is what Mr. Murray was referring to a little earlier. The language is not exactly the same as the bill.

Mr. McCLARREN. "The foregoing proviso shall not be construed as prohibiting representatives of the alcoholic beverage industry from participating in market development activities carried out with foreign currencies made available"——

Mr. KLEPPE. The interests are carried out. That is the same in the bill. Now, these next words, "with foreign currencies made available," are added in the report and are not in the bill.

Mr. McCLARREN. "Made available under title I."

Mr. KLEPPE. Do you see what I mean, Mr. McClarren?

Mr. McCLARREN. Yes.

Mr. KLEPPE. My question is, is there any significance to the fact that they are added in here when they are actually quoting the provisos that they are recommending change on.

Mr. McCLARREN. I am trying to recall our discussion with the Bureau of the Budget. I believe this was added as a further precaution against going beyond the intent of the amendment.

Mr. KLEPPE. Might I fairly construe, then, that it would be a suggestion of the Department that those words be added in the bill?

Mr. McCLAREN. I would think so, sir.

Mr. KLEPPE. Might I then, Mr. Chairman, ask Mr. Sisk or Mr. McColly if they would have any objection to the adding of those words?

Mr. McCOLLY. I am sorry. I was talking with Congressman Sisk and I am not sure what the words were.

Mr. KLEPPE. Do you have a copy of the report from Secretary Hardin?

Mr. McCOLLY. Yes, I do.

Mr. KLEPPE. If you would take that—I am referring to the words in the middle of the second paragraph that say:

"With foreign currencies made available."

Mr. McCOLLY. Yes.

Mr. KLEPPE. Those words are not included in the bill.

Mr. McCOLLY. That is correct.

Mr. KLEPPE. Would you have any objection to having those added in the bill?

Mr. McCOLLY. No, of course not.

Mr. DE LA GARZA. The proviso in the quotation marks is a suggested recommended amendment by the Department.

Mr. KLEPPE. Is this the way you understand it?

Mr. DE LA GARZA. Yes.

Mr. SISK. Mr. Chairman, if I could just comment, I would have no objection to the recommendations of the Department at all. I would assume that what they are attempting to do is spell out more clearly exactly what the intent is and what the outcome of the law would be.

Mr. KLEPPE. Thank you, gentlemen.

Mr. SISK. It is in line completely with what I had hoped it to be.

Mr. KLEPPE. Thank you.

Mr. DE LA GARZA. I think we all agree that is the intent and the recommendation of the Department that this be incorporated as an amendment to the legislation. And we are in agreement that the representatives from the industry have no objection.

Mr. MCCOLLY. None whatsoever.

Mr. KLEPPE. Thank you.

Mr. DE LA GARZA. Mr. Purcell, do you have any questions?

Mr. PURCELL. No, sir, thank you, Mr. Chairman.

Mr. DE LA GARZA. We are very happy to have you.

Mr. PURCELL. Appreciate the opportunity of being here.

Mr. DE LA GARZA. Thank you very much, Mr. McClarren. We appreciate very much your appearing to represent the Department in behalf of this legislation.

We thank you, Mr. McColly and Mr. Silverman, and Mr. Sisk, we appreciate your patience, and the subcommittee will continue its deliberations on this legislation and you shall be duly informed.

(Whereupon, at 10:40 a.m., the subcommittee went into executive session.)

DONATION OF CCC-HELD DAIRY PRODUCTS

TUESDAY, OCTOBER 14, 1969

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DOMESTIC MARKETING AND
CONSUMER RELATIONS
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:15 a.m., in room 1301, Longworth House Office Building, Hon. Thomas S. Foley (chairman of the subcommittee) presiding.

Present: Representatives Foley, Vigorito, Sisk, Goodling, and Myers.

Also present: Christine S. Gallagher, clerk; Hyde H. Murray, associate counsel; and John A. Knebel, assistant counsel.

Mr. FOLEY. The Subcommittee on Domestic Marketing and Consumer Relations will come to order. The subcommittee meets today for consideration of H.R. 12588, by Mr. Sisk of California to permit donation of dairy products acquired by the CCC through price supported operations to be used in nonprofit school lunch and other nonprofit child feeding programs and for the assistance of needy persons and charitable institutions, including hospitals, to the extent needy persons are served.

(The bill H.R. 12588 by Mr. Sisk and the departmental report follows:)

[H.R. 12588, 91st Cong., first sess.]

A BILL To amend the Agricultural Act of 1949 with regard to the use of dairy products, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended by adding at the end thereof the following:

"Dairy products acquired by the Commodity Credit Corporation through price-support operations may, insofar as they can be used in nonprofit school lunch and other nonprofit child feeding programs, in the assistance of needy persons, and in charitable institutions, including hospitals to the extent that needy persons are served, be donated for any such use without regard to any limitation or priority contained in this section or in any other provision of law."

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, September 30, 1969.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: This is in reply to your request of July 15 for a report on H.R. 12588, a bill "To amend the Agricultural Act of 1949 with regard to the use of dairy products, and for other purposes."

The bill would provide that "Dairy products acquired by the Commodity Credit Corporation through price support operations may, insofar as they can be used in nonprofit school lunch and other nonprofit child feeding programs, in the assistance of needy persons, and in charitable institutions, including hospitals to the extent that needy persons are served, be donated for any such use without regard to any limitation or priority contained in this section or in any other provision of law."

Subject to insertion of a comma and a slight change in the last two lines of the bill for clarification as indicated below, we recommend enactment of H.R. 12588.

Section 416 of the Agricultural Act of 1949 in effect provides for priority of sales over donations in the disposition of food commodities acquired under support programs. Section 416 authorizes donations of such food commodities for nonprofit school lunch uses, to needy persons, and other uses in order to prevent the waste of the commodities "before they can be disposed of in normal domestic channels without impairment of the price support program or sold abroad at competitive world prices. . . ."

Dairy products have played a very important role in the school lunch, needy persons, and other food assistance programs for many years. Such products can contribute greatly toward the objective of eliminating hunger and malnutrition of the Nation's poor.

Usually supplies of dairy products acquired under the dairy price support program have been adequate for both sales and food assistance uses. Occasionally, however, CCC's inventories of dairy products have declined to such low levels that their use in some programs have had to be curtailed or temporarily interrupted.

Enactment of H.R. 12588 would help to assure continuing supplies of dairy products in the food assistance programs at less cost to the Government than would be the case if CCC's inventories were completely exhausted through sales and then other authority were used to buy supplies in the market at higher prices for program uses. In order to be consistent with a restriction applicable to other food commodities expressed earlier in the section, however, a comma should be inserted after the word "hospitals" in line 10. Also, in order to avoid the possibility of a broader effect than intended by the proposed amendment, we believe that the language at the end of the bill reading "without regard to any limitation or priority contained in this section or in any other provision of law" should be changed to read "prior to any other use or disposition."

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. Phil Campbell,
Under Secretary.

Mr. Foley. The first witness this morning will be the author of the legislation, the Honorable B. F. Sisk, of California.

STATEMENT OF HON. B. F. SISK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Sisk. Mr. Chairman, first, let me say that I have a prepared statement and I would request that it be made a part of the record, the complete statement. I would like to briefly comment to save time, Mr. Chairman.

Mr. Foley. It is so ordered.

Mr. Sisk. I want to express appreciation to you, Mr. Chairman, and members of the committee, for making this hearing possible. I would like to say, that this bill which you see is very short, a bill briefly amending the law with reference to priorities in the use of surplus dairy commodities.

Under section 416 of the Agricultural Act of 1949, which was amended and reenacted by Public Law 480, stocks of food in the hands

of the Commodity Credit Corporation which cannot be sold back to the domestic commercial trade or exported at competitive world prices may be used for school-lunch programs, domestic-relief programs, and charitable institutions. Such food stocks may also be bartered for strategic materials and products not available in the United States. If not needed for these purposes, they can be disposed of for foreign relief. Thus there are, of course, certain priorities for their use. In general, the first priority is the domestic or export sales, the second is domestic relief and school lunch, and the third is foreign relief.

Although milk and dairy products have been made available continuously for the school-lunch program during the past year, conditions arose which threatened to cut off this supply, and which served to point up the need for corrective legislation. In 1966 when CCC stocks of dairy products were lower than usual, the Secretary of Agriculture took the position that stocks on hand should be allocated for domestic or export sale with the result that not enough dairy products were left to meet the needs of domesic relief programs. There was real concern that the use of dairy products in the school lunch program might also be affected by this decision.

As we approached the beginning of the current school year, this situation arose again as the production of milk and dairy products more nearly approached demand. The situation is likely when there are increased export opportunities caused by decreased supplies on the world market. H.R. 12588 would serve to correct this condition by permitting the needs of the school lunch program to be met from CCC stocks even though there might be a possibility that these stocks could be moved into commercial trade or export at competitive world prices. Furthermore, to the extent that Commodity Credit Corporation stocks of dairy products are not adequate to supply the full needs of the school lunch program, additional supplies of dairy products could be purchased by the Secretary of Agriculture under section 709 of the Food and Agriculture Act of 1965.

The authority granted by section 709 of the Food and Agriculture Act of 1965 provides that the Secretary of Agriculture is authorized to use CCC funds to purchase sufficient supplies of dairy products at market prices to meet the requirements of any programs for the schools, domestic relief distribution, community action, and foreign distribution. Nonetheless, the Department of Agriculture has, for some reason, been reluctant to implement this authority. In effect, H.R. 12588 would put the health and well-being of our Nation's schoolchildren who participate in the school lunch program above the relatively few dollars that might be realized from subsidized commercial sales of these products, and assure them a continuous and adequate supply of nutritious milk and dairy products.

Mr. Chairman, that basically, of course, is the principle involved in the bill and as I say, is a policy matter, a matter of changing the priority to allow the priority right of schools to receive these stocks.

Mr. Chairman, I appreciate this opportunity to make this statement. If there are questions, I would like to answer them and comment on them.

Mr. Foley. Any questions for the gentleman from California?

The statement will be printed in full in the record of the hearings at this point.

(The statement referred to follows:)

STATEMENT OF HON. B. F. SISK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman: I would like to take this opportunity to express my appreciation to you for scheduling hearings on H.R. 12588, and for having provided me with the opportunity to wholeheartedly support the principles of this bill. I, as a sponsor of H.R. 12588, am, of course, in full support with the idea that one of the best possible uses of milk and dairy products is in the School Lunch Program.

There is little doubt that our School Lunch Program has made a great contribution to the health and well being, and, thus, to the better education of our school children. Consequently, it is particularly important that milk and dairy products, which are so essential to the building of strong bodies, and clear minds in active and growing children, be allocated top priority to the School Lunch Program without regard to priorities set up in other laws.

Under Section 416 of the Agricultural Act of 1949, which was amended and reenacted by Public Law 480, stocks of food in the hands of the Commodity Credit Corporation which cannot be sold back to the domestic commercial trade or exported at competitive world prices may be used for School Lunch Programs, domestic relief programs, and charitable institutions. Such foods stocks may also be bartered for strategic materials and products not available in the United States. If not needed for these purposes, they can be disposed of for foreign relief. Thus there are of course certain priorities for their use. In general, the first priority is the domestic or export sales, the second is domestic relief and school lunch, and the third is foreign relief.

Although milk and dairy products have been made available continuously for the School Lunch Program during the past year, conditions arose which threatened to cut off this supply, and which served to point up the need for corrective legislation. In 1966 when CCC stocks of dairy products were lower than usual, the Secretary of Agriculture took the position that stocks on hand should be allocated for domestic or export sale with the result that not enough dairy products were left to meet the needs of domestic relief programs. There was real concern that the use of dairy products in the School Lunch Program might also be affected by this decision.

As we approached the beginning of the current school year, this situation arose again as the production of milk and dairy products more nearly approached demand. The situation is likely when there are increased export opportunities caused by decreased supplies on the world market. H.R. 12588 would serve to correct this condition by permitting the needs of the School Lunch Program to be met from CCC stocks even though there might be a possibility that these stocks could be moved into commercial trade or export at competitive world prices. Furthermore, to the extent that Commodity Credit Corporation stocks of dairy products are not adequate to supply the full needs of the School Lunch Program, additional supplies of dairy products could be purchased by the Secretary of Agriculture under Section 709 of the Food and Agriculture Act of 1965.

The authority granted by Section 709 of the Food and Agriculture Act of 1965 provides that the Secretary of Agriculture is authorized to use CCC funds to purchase sufficient supplies of dairy products at market prices to meet the requirements of any programs for the schools, domestic relief distribution, community action, and foreign distribution. Nonetheless, the Department of Agriculture has, for some reason, been reluctant to implement this authority. In effect H.R. 12588 would put the health and well being of our nation's school children who participate in the School Lunch Program above the relatively few dollars that might be realized from subsidized commercial sales of these products, and assure them a continuous and adequate supply of nutritious milk and dairy products.

Mr. Chairman, there are other witnesses here today who, I am sure, will provide you with more detailed information. Thank you again for your cooperation and attention.

Mr. FOLEY. I thank the gentleman for his statement.

Mr. SISK. Thank you, Mr. Chairman.

Mr. FOLEY. I have been informed that the gentleman from California has a very pressing commitment before the Rules Committee this morning and will not be able to remain for the rest of the hearing.

Mr. SISK. Thank you, Mr. Chairman. I will stay as long as possible, but I will have to leave.

Mr. FOLEY. The next witness will be Mr. Keister N. Adams, Deputy Director of the Livestock and Dairy Division of the U.S. Department of Agriculture.

Mr. Adams?

STATEMENT OF KEISTER N. ADAMS, DEPUTY DIRECTOR, LIVESTOCK AND DAIRY DIVISION, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. ADAMS. Mr. Chairman, members of the committee, as the legislative report already received by the chairman of the committee, I believe, indicates, the Department of Agriculture favors enactment of H.R. 12588, with two or three minor clarifying changes.

H.R. 12588 is a bill "To amend the Agricultural Act of 1949 with regard to the use of dairy products, and for other purposes." It would amend Section 416 of the act to provide that "Dairy products acquired by the Commodity Credit Corporation through price support operations may, insofar as they can be used in nonprofit school lunch and other nonprofit child feeding programs, in the assistance of needy persons, and in charitable institutions, including hospitals to the extent that needy persons are served, be donated for any such use without regard to any limitation or priority contained in this section or in any other provision of law."

Section 416 of the Agricultural Act of 1949 in effect provides for priority of sales over donations in the disposition of food commodities acquired under the support program. It authorizes donations of such food commodities to nonprofit school lunch uses, to needy persons, and for other uses in order to prevent the waste of commodities "before they can be disposed of in normal domestic channels without impairment of the price support program or sold abroad at competitive world prices . . ." H.R. 12588 would change this priority by permitting—I underscore the word to emphasize that it is permissive legislation—by permitting donations to these programs, in lieu of sales, when CCC stocks are inadequate for both.

Dairy products have played a very important role in the school lunch, needy persons, and other food assistance programs for many years. Such products can contribute greatly toward the objective of eliminating hunger and malnutrition of the Nation's poor.

Usually supplies of dairy products acquired under the price support program have been adequate for both sales and food assistance uses. Occasionally, however, as Congressman Sisk indicated earlier, CCC inventories of dairy products have declined to such low levels that their use in some programs has had to be curtailed or temporarily interrupted. On one occasion in recent years, when CCC's stocks of dairy

products were depleted, limited quantities of cheese and butter were bought under section 709 of the Food and Agricultural Act of 1965. As has been indicated, this legislation authorizes purchases of dairy products at market prices whenever stocks acquired under the dairy price support program are insufficient to meet program needs. This is continuing authority and is not contingent upon extension of other provisions of the 1965 Act beyond its present termination date of December 31, 1970.

Enactment, and this is the main point, I believe, of H.R. 12588 would help to assure continuing supplies of dairy products in the food assistance programs, at less cost to the Government than would be the cae if CCC's inventories acquired under support were completely exhausted through sales, as now required, and then section 709 authority were used to buy supplies in the market at higher prices—at market prices, that is—for program uses.

H.R. 12588 would be permissive rather than mandatory and would include the school lunch and other domestic food assistance programs These desirable features of the bill would make for greater flexibility and would appropriately leave to administrative determination the priority to be accorded from time to time to sales versus donation uses of different products in the light of developments in the relative nutritional needs of different programs, in light of CCC purchases and available supplies of different foods, and in light of market conditions at the time.

We recommend two minor changes in the bill. First, in order to be consistent with the punctuation of the language earlier in the section, a comma should be inserted after the word "hospitals" in line 10. Secondly, in order to avoid the possibility of a broader effect than we believe is intended by the proposed amendment, we believe that the language at the end of the bill reading, "without regard to any limitation or priority contained in this section or in any other provision of law" should be changed to read "prior to any other use or disposition."

Mr. Chairman, this completes my statement. If there are any questions, I will be glad to try to answer them.

Mr. FOLEY. Thank you very much.

Mr. Goodling?

Mr. GOODLING. For the record, Mr. Adams, I would like to have you clarify what you mean by a "nonprofit school lunch and other nonprofit child feeding programs, in the assistance of needy persons, and in charitable institutions." I think this should be defined so that we know just what you mean by that statement.

Mr. ADAMS. Mr. Goodling. I believe this is the language of the present law and also, I believe, the language of the amendment as well. I do not know as I have any definitive answers as to what they are. Generally, I suppose we are thinking in terms of our school lunch program, we are thinking in terms of our welfare distribution programs. These are the two main ones, I believe.

Mr. GOODLING. I have been associated with school lunch programs that have made a slight amount of profit. It is used to turn right back

into the program, it is used for purchasing equipment and all sorts of things, but they are still making a slight profit on the lunch.

Mr. ADAMS. Yes, sir.

Mr. GOODLING. Would that eliminate them?

Mr. ADAMS. No, sir: no indeed. We are, as you probably know, already donating considerable quantities of products to school lunches, considerable dairy products—butter and cheese and nonfat dry milk, mainly butter, and cheese until recently. At the present time, we have no cheese. But we do donate to the school lunch program butter and other dairy products acquired under support to the extent that they can use them, to the extent that we have them. Nevertheless, the law as it is written, as it stands today, section 416 requires that we first try to sell these products before we donate them.

As I indicated in my statement, most of the time we have had enough for both. We have had enough to meet all of our donation needs and to sell as much as we could sell.

Mr. GOODLING. Do you know what they mean by nonprofit child-feeding programs?

Mr. ADAMS. In a general sort of way; yes, sir.

Mr. GOODLING. Well, I do not, frankly, and I am curious to know your answer to that.

Mr. ADAMS. Actually, this is a little out of my bailiwick and I am not sure I can answer it with any degree of authority.

Mr. GOODLING. Charitable institutions—what are the charitable institutions?

Mr. ADAMS. I am not sure I can answer you, sir.

Mr. SISK. Will my colleague yield?

Mr. GOODLING. Yes.

Mr. SISK. I will await my turn and then I would like to make some comments on this nonprofit.

Mr. GOODLING. You will clear that up?

Mr. SISK. Yes, I will clear that up.

Mr. GOODLING. On page 2 of your statement, I am not sure I know what you mean at the bottom of the page, "at less cost to the Government than would be the case if CCC's inventories were completely exhausted."

Is this bill not designed to have CCC give these surplus commodities?

Mr. ADAMS. Yes, sir.

Mr. GOODLING. What do you mean by the statement in the last paragraph on page 2?

Mr. ADAMS. I think I can explain that for you. Section 416 in essence says that if you have dairy products, you have to sell them before you give them away. The amendment which H.R. 12538 provides changes in is priority and says you may donate them before you sell them. We also have another law, section 709 of the 1965 act, which says that if CCC runs out of dairy products, through sales or any other way, it then is authorized under 709 to go into the market and buy sufficient quantities at market prices to meet those needs—the needs of the donation programs, that is. All I am saying is that if we sell on the one hand products that we acquired under price support and then, under 709, go out and buy at a higher price to meet the donation requirements, this is more expensive than if we donated what we already had to start with.

Mr. Goodling. In the last page of the statement, you suggested changes. As presently written, what would it do to the food stamp program?

Mr. Adams. As presently written?

Mr. Goodling. As presently written.

Mr. Adams. I do not know that it would have any effect on the food stamp program.

Mr. Goodling. As presently written, is it not a fact that CCC products can't be used in the food stamp program?

Mr. Adams. Well, the products are not used in the food stamp program. I do not know whether that is a legal requirement or not.

Mr. Goodling. You suggested changes in that section of this bill. What's your reason for suggesting the changes?

Mr. Adams. For a different reason, Mr. Goodling. We just simply feel—actually, our general counsel's office feels that the last part of the sentence is rather sweeping, when you say that "without regard to any other provision of law"—what law? Any law. We are just simply saying we think it would be clearer and serve the same purpose to say we may donate to these uses prior to "any other use or disposition." It just narrows it down.

Mr. Goodling. One other question, Mr. Chairman.

Why milk alone? This year, the apple growers are going to have a surplus of many million bushels. I would like to include apples under this program. Would that be acceptable to the Department?

Mr. Adams. Mr. Goodling, I believe the answer to that question is we buy dairy products under the dairy price-support program. We have dairy products which we have thus acquired. We do not buy apples under the price-support program.

Mr. Goodling. You are not authorized to buy apples?

Mr. Adams. I believe that is under a different authority, not this one.

Mr. Goodling. OK, why not peanuts? I know you have millions of pounds of surplus peanuts. CCC is selling millions of pounds every month. Why not include peanuts?

Mr. Adams. Again, I am not familiar with the peanut program. I believe peanuts are held under loan rather than a purchase program.

Mr. Goodling. I do not think so, because CCC is selling millions of pounds of peanuts every month.

Mr. Adams. I think my answer is if we do in fact buy peanuts under the price support and somebody thinks this is a good thing to include, I would have no objection to it.

Mr. Goodling. The point I am trying to establish here is if we are going to do this for dairy products, why not for all surplus farm commodities? To me, it looks like special legislation. Maybe Mr. Sisk will have a better answer when it comes time for him to comment.

That is all, Mr. Chairman.

Mr. Foley. Mr. Vigorito?

Mr. Vigorito. No questions.

Mr. Foley. Mr. Sisk?

Mr. Sisk. Mr. Chairman, I would like to comment briefly.

First, let me say that I have no objections to the changes in language recommended by the Department, Mr. Adams. I recognize that the last phrase is rather all-encompassing. It goes about as far as it

would be humanly possible to go and I can understand counsel raising some questions.

As far as I am concerned, Mr. Chairman, I have no objection to that change, because I think it will still give the priority that we seek to accomplish under this bill. I think the other is a grammatical error, probably, in the bill as originally drawn.

Let me say, I am not an expert on these programs. Probably the members of this committee know far more about them because they have no doubt studied them more than I have. But it is my general understanding with reference to nonprofit schools, as this term is used here, that this is a special program in which, I guess in years gone by, there were questions raised. We are talking here now, for example, of parochial schools; we are talking of nonprofit schools, where there is authority to make these commodities available. Heretofore, they have been authorized to make them available if they could not otherwise dispose of them through what amounts to priorities at the present time. What this would do, this would reverse that priority and make those commodities available to these nonprofit schools and nonprofit hospitals, and I am speaking now of other than public schools and other than public institutions, and that it would be cheaper to do it this way than it would under 709, turn around in the open market and buy them in the event that stocks were sold or that they could not fulfill the earlier or prior obligations and still have them left over for the nonprofit institutions. But basically, "nonprofit" in this case goes to schools, hospitals, and other institutions, separate and apart from public institutions. We have other programs that deal directly with the so-called public schools and public institutions that are somewhat separate and apart. That is my explanation as I interpret the program.

I believe the gentleman raised one other question and I have forgotten what it was.

Mr. VIGORITO. Why dairy products only?

Mr. SISK. Maybe this is a parochial interest, if I can use the word "parochial" in a little different sense on this occasion, in that we have, of course, been interested for some time, having observed what has developed in the dairy program, where commodity credit does acquire and has acquired at times very substantial dairy stocks. We have been down to a very minimum amount of stocks recently in the dairy area. As to other stocks moving occasionally under the surplus programs, I am not aware of other stocks having moved into this area. I have no objection to making other commodities available to these nonprofit institutions if they are available. I am not here saying that it should only take in dairy products. I have no objection to broadening this.

Again, I think we got into a technical situation which, frankly, I am not technically competent to comment on. I think these other programs are loan-type programs and so on, in which there are different laws governing the distribution of surplus commodities.

I might say this is the third Congress in which I have introduced this particular legislation. Originally, the legislation was introduced in such a way that it went to another committee of this body. In previous Congress, it is my understanding that it was favorably received, but due to other problems that developed in the last Congress, it was not reported. This time, it did come to this committee. Frankly,

I think this committee should have jurisdiction, since it is dealing with agricultural commodities.

I want to thank Mr. Adams and the Department for their cooperation in trying to develop a setup in this area which we feel would actually save money if the time came when you feel you did have to purchase under 709.

That is all.

Mr. FOLEY. The Chair would like to ask Mr. Adams, is milk the only product that is included under 709?

Mr. ADAMS. Section 709 deals only with dairy products.

Mr. FOLEY. I might say to the gentleman from Pennsylvania, apparently, there is a special treatment of dairy products in the way of donations to schools and other institutions that provides for needy persons. I would think that because the alternative way of providing these products is by sale in the open market, there is a kind of parallelism in referring only to dairy products in each bill.

Are there any further questions?

Mr. GOODLING. Mr. Chairman, if I may ask here, why this special treatment for dairy products?

Mr. FOLEY. I think it has been felt in the past that there is a particular need for milk and dairy products in the nutrition of young people, an area where milk is recognized as having highly desirable nutritional values for growing children. I think that that led the Congress to set up a special milk program for schools and to provide for special inducements and methods by which school programs could obtain milk and other dairy products.

Mr. GOODLING. I think Mr. Vigorito and I realize that may have been true at one time, but we now have research that indicates apples have a desirable effect on infants. They are now using apples and find them very desirable to feed them to real young infants. We know, and I am sure Mr. Sisk knows, we are going to have a lot of surplus fruit this year, and I fear Mr. Vigorito and I are going to have a lot of fruit growers go broke this year because we have too many apples.

Mr. FOLEY. I am sure I can speak for Mrs. May, who is not here, and myself as well in saying that we are very interested in the fruit area ourselves. But we do not, as Mr. Adams has noted, buy apples as a regular policy. They are bought occasionally to support the market in title 32 funds, but that is under separate legislation. I think the normal process by which this committee has operated is to treat commodities somewhat individually. One of the problems, if we start amending the bill to include other items, we have to, in fairness, offer opportunities for people to come and testify about those particular commodities. I do not really see what problem areas, in moving on these things as individuals, we want to propose in additional purchases. The gentleman certainly would be acting appropriately to his interest in this matter to introduce legislation of a similar character.

Counsel?

Mr. MURRAY. I had one question for Mr. Adams.

Is it your purpose or the Department's intent to donate dairy products to food stamp recipients?

Mr. ADAMS. No.

Mr. MURRAY. Would you have any objection to changing the scope

of the language of the bill to limit that to direct distribution recipients rather than the food stamp recipients?

Mr. ADAMS. I do not believe so.

Mr. MURRAY. The reason I raise that, Mr. Chairman, is that in the language of the bill, it provides that dairy products acquired by CCC may, insofar as they can be used, be donated for the assistance of needy persons notwithstanding any other provision of law. The food stamp law specifically prohibits donation of surplus agricultural commodities to persons who are under the food stamp program.

Mr. FOLEY. Would not the change suggested by the Department in the language of Mr. Adams' testimony clarify that problem by saying, "acquired for other use and disposition"?

Mr. MURRAY. I do not think necessarily it would, because this has been an issue that the committee has had before and is one that has been discussed before. We have had legislation on this question before and it is involved in the food stamp legislation now pending before the committee that has come to us from the Senate. Under the Senate bill, once the food stamp program is put into effect, donation of the surplus commodities in the same areas and to the same people that are covered by the food stamp program is permitted. My reading of this language is that it would be broad enough that it would authorize it.

Mr. FOLEY. I think the point is valid, if the language says "regardless of any other provision of law," that the effect would be to override the restriction on uses of donated materials in the food stamp area.

Mr. MURRAY. That is right.

Mr. FOLEY. Not to quarrel with the legal judgment of counsel, but if it says prior to any other use or distribution, it would refer, it seems to me, back to priorities contained in this act and not impinge upon any general prohibition which the present Food Stamp Act applies against using commodity materials in food stamp areas.

Could we not take care of this in the report?

Mr. MURRAY. I think so. With proper legislative history, I think it could be clarified.

Mr. FOLEY. You indicated that changing the language is one of the considerations the committee had in mind in not overriding the matter of mixing the two programs while the committee had before it the proposals regarding that legislation generally.

Mr. SISK. Mr. Chairman, if I could just state that I recognize the question raised by committee counsel if we left the language as it is. It is a matter, of course, of perhaps not giving enough study, but I recognize that the present language in the bill as I have it written could be interpreted to override the present food stamp limitation. Therefore, I would have no objection to any change that the committee saw fit to make, because that certainly was not the intent in this case. I think that prior to any other use or disposition, referring basically to this law, the question of priorities within the law which we are amending would probably be, would hold it basically to that.

Mr. FOLEY. One of the things that would concern me a little bit in going to an absolute prohibition of the bill is that one of the bills before the full committee on the food stamp issue authorizes the Department to implement plans simultaneously and however the committee wants to decide the question, I do not think we ought to

reach it either way in this legislation, either by opening up the door to double programing when the present law does not permit that, or, on the other hand, by making a specific prohibition, since it seems to me to prejudge that broader issue again. We might amend the language so as to adopt the language suggested by the Department with a very clear statement in both the report and the legislative history that the purpose of this act was not in any way to authorize the use of dairy products in a commodity distribution program in those areas that were presently prohibited: that is, areas of food stamp operation. We could just leave the issue neutral, in other words, until it comes up as it is. This would continue the present prohibition without seeming to put members on record against changing it. One of the bills I propose would authorize the use of food stamps and commodity distribution programs simultaneously and I would not wish to be misunderstood in supporting this legislation, which I think is very useful and desirable, in compromising my right to plead for the change in the general law.

I do think the counsel has raised a valid point, that the original language might carry with it the assumption that we were specifically changing the law for dairy products, at least.

Mr. SISK. If the chairman will yield, I agree completely with what he has said and I would hope we could make this clear. I for one, going back as far as 4 or 5 years ago, was advocating dual programs, too. But I think I agree that in this case, we should not deal with that subject and to whatever extent the committee desires to make changes and to tighten it up, that is fine. But I would hope that, as you say, we could make it neutral here and that question, as you say, could be resolved by the committee later on.

Mr. FOLEY. If there are no further questions, Mr. Adams, we thank you very much for your appearance. Perhaps if you could remain for just a moment, we only have one more witness, in the event someone wants to ask another question of you with regard to the Department policy after we hear from this witness.

Mr. ADAMS. Thank you, sir.

Mr. FOLEY. The next witness is Mr. Judson P. Mason, director of the economics division of the National Milk Producers Federation, accompanied by Mr. M. R. Garstang.

STATEMENT OF JUDSON P. MASON, DIRECTOR, ECONOMICS DIVISION, NATIONAL MILK PRODUCERS FEDERATION; ACCOMPANIED BY M. R. GARSTANG, GENERAL COUNSEL

Mr. MASON. Thank you, Mr. Chairman.

The National Milk Producers Federation is a national association representing dairy farmers and dairy cooperative associations.

It was organized more than 50 years ago and represents dairy farmers, through their cooperatives, doing business in all of the 50 States.

The federation has consistently supported the school lunch program and the use of surplus foods for the relief of needy persons, particularly children. We played an important part in developing and securing enactment of the special milk program for children.

These programs speak for themselves, and it is not necessary to comment on their importance and acceptance. The contribution which they have made, and which they are continuing to make, toward better nutrition is one of the best investments that could be made in the general welfare of the country.

One of the best possible uses for dairy products in the hands of the Commodity Credit Corporation is to use them for the building of strong bodies and alert minds in children who will be the leaders and the workers of tomorrow.

If dairy products, such as cheese, butter, and nonfat dry milk, are to be donated by the Federal Government for such purposes, the flow should go on with the least possible impairment. The programs which depend upon donations from the Commodity Credit Corporation do not have unlimited resources. Therefore, when stocks are not made available by the CCC, it can serve to curtail the amount of dairy products made available to the recipients of such programs as school lunch, child feeding, and authorized relief.

It was for the purpose of assuring a more steady flow of such products that section 709 was incorporated in the Food and Agriculture Act of 1965. Under this authority, CCC can purchase dairy products to supplement quantities acquired through the price-support program. For example, just last week, the CCC asked for bids on 7 million pounds of cheese, because it did not have sufficient stocks under the price-support program to provide reasonable needs for domestic welfare.

Inasmuch as there is at least an implied commitment to supply certain basic outlets, such as school lunch, child feeding programs, and for welfare, maximum use should be made of CCC stocks, to the extent they are available, and without regard to priorities in the existing law.

Section 416 contains the following language:

> In order to prevent the waste of commodities whether in private stocks or acquired through price supported operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such state, federal, or private agency or agencies as may be designated by the proper state or federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in nonprofit summer camps for children, in the assistance of needy persons and charitable institutions, including hospitals, to the extent that needy persons are served * * *

The purpose of H.R. 12588 is to provide that CCC dairy products may be used in the school lunch program, and in other child feeding programs, and for authorized relief programs, without regard to the priorities set up in section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431).

The effect of the present law is to create priorities which take precedent over child feeding and relief programs where there is a reasonable probability that the stocks would move into domestic

trade channels or could be moved into world markets at competitive world prices.

Although most of the time there have been sufficient supplies of dairy products in CCC stocks, there was a time, in 1965 or 1966, when the use of such stocks of dairy products was restricted for relief purposes and when it was uncertain whether they might also be restricted for use in the child feeding program.

In 1966, CCC found it necessary to purchase butter under the authority of section 709 of the Agriculture Act of 1965, in order to make it available for the school lunch program.

At the present time, the CCC has very low stocks of butter and particularly cheese and, as I mentioned, bids have been requested for 7 million pounds of cheese for the welfare program. As supply and demand for milk and dairy products are moving into closer balance, there is a need to remove any question of priorities as to the use of CCC stocks.

It would be more economical for CCC to use its stocks of dairy products to supply known needs of the child feeding and relief programs, than for it to be required to move its stocks into domestic channels or world trade and then purchase additional supplies later.

The proposed amendment in H.R. 12588 is permissive and would permit the Department of Agriculture to use its discretion in this matter in whatever manner appeared best for any particular year.

The use of dairy products for outlets such as school lunch, child feeding programs, welfare distribution, and other uses is one that not only improves nutrition, but it also is invaluable in strengthening markets for dairy farmers.

Since the Department of Agriculture has authority to supply minimum quantities of dairy products for these programs, it would be better to utilize stocks on hand without regard to priorities, than to sell such products and then enter the market to purchase additional quantities to take their place.

We find no objection to the minor revisions suggested in the Department of Agriculture's report on the proposed legislation.

We believe H.R. 12588 is desirable and needed legislation, and we urge its enactment.

Thank you, Mr. Chairman.

Mr. FOLEY. Thank you very much, Mr. Mason.

Mr. Goodling?

Mr. GOODLING. Mr. Mason, I asked the witness who preceded you if he would object to other commodities being included in this bill.

Mr. MASON. Well, I do not believe so, but this bill is directed to the dairy program in which we have an interest. Now, we certainly can't object to other people having similar treatment.

Mr. GOODLING. I appreciate that you did not come up here for your health, that you represent the dairy people, and I have a lot of them in my area. But I am thinking of peanuts. CCC has a large surplus of peanuts and peanuts have a place in our nutritional program just as much as milk has.

Mr. MASON. They may have. We think milk has a special place.

Mr. GOODLING. I can appreciate that. I happen to think that apples have a very special place.

Mr. MASON. We would have no objection if you wanted to have a similar bill for peanuts.

Mr. GOODLING. It is class legislation. You admit that, I think?

Mr. MASON. No, this is legislation in order to feed people.

Mr. GOODLING. One product.

Mr. MASON. Dairy product.

Mr. GOODLING. That is all, Mr. Chairman.

Mr. FOLEY. Mr. Vigorito?

Mr. VIGORITO. No questions.

Mr. FOLEY. Mr. Sisk?

Mr. SISK. No questions, Mr. Chairman. I wish to commend Mr. Mason for a very fine statement.

Mr. MASON. Thank you.

Mr. FOLEY. The Chair joins in that. We appreciate your appearance here this morning and that of counsel.

That concludes the schedule of witnesses for this morning. If there are no further witnesses wishing to testify on H.R. 12588, the subcommittee will now go into executive session. We appreciate the attendance of the witnesses and guests this morning.

(Whereupon, at 10:55 a.m., the subcommittee proceeded into executive session.)

LAND CONVEYANCES

THURSDAY, NOVEMBER 13, 1969

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FORESTS OF THE
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:10 a.m., in room 1302, Longworth House Office Building, Hon. Maston O'Neal presiding.

Present: Representatives O'Neal, McMillan (chairman), and Teague of California.

Also present: Lacey C. Sharp, general counsel; and Martha Hannah, subcommittee clerk.

Mr. O'NEAL. The subcommittee will come to order. We are meeting for consideration of H.R. 7161 and a similar bill which has been referred from the Senate, S. 55 for the relief of Leonard N. Rogers, John P. Corcoran, Mrs. Charles W. (Ethel J.) Pensinger, Marion M. Lee, and Arthur N. Lee.

(H.R. 7161 by Mr. Steiger of Arizona and the departmental report follow:)

[H.R. 7161, 91st Cong., first sess.]

A BILL For the relief of Leonard N. Rogers, John P. Corcoran, Mrs. Charles W. (Ethel J.) Pensinger, Marion M. Lee, and Arthur N. Lee

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That, in order to quiet title in certain real property in Apache National Forest, Arizona, held and claimed by the following-named persons under a chain of title dating from December 4, 1903, the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to such persons all right, title, and interest of the United States in and to certain real property situated in section 5, township 6 north, range 30 east, Gila and Salt River base and meridian, as follows:

(1) To Leonard N. Rogers all right, title, and interest of the United States in and to the real property more particularly described as the west half northwest quarter southwest quarter.

(2) To John P. Corcoran all right, title, and interest of the United States in and to the real property more particularly described as the east half northwest quarter southwest quarter.

(3) To Mrs. Charles W. (Ethel J.) Pensinger all right, title, and interest of the United States in and to the real property more particularly described as the southwest quarter southwest quarter.

(4) To Marion M. Lee and Arthur N. Lee all right, title, and interest of the United States in and to the real property more particularly described as the southwest quarter of the northwest quarter.

SEC. 2. The conveyance authorized by the first section of this Act shall be made by the Secretary of Agriculture without consideration, but the persons to whom the conveyances are made shall bear any expenses incident to the preparation of the legal documents necessary or appropriate to carry out the first section of this Act.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, August 20, 1969

Hon. W. R. POAGE,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: As you asked, here is our report on H.R. 7161, "For the relief of Leonard N. Rogers, John P. Corcoran, Mrs. Charles W. (Ethel J.) Pensinger, Marion M. Lee, and Arthur N. Lee."

Because of the special circumstances involved, this Department would have no objection to the enactment of H.R. 7161.

The purpose of H.R. 7161 would be to quiet title to certain described tracts of land located in section 5, township 6 north, range 30 east, Gila and Salt River Meridian. The tracts are situated within the boundaries of the Apache National Forest, which is administered by the Forest Service of this Department. They consist of four separate tracts held and claimed by Leonard Rogers, John Corcoran, Ethel Pensinger, and Marion and Arthur Lee, respectively, under a chain of title dating from December 4, 1903.

The Secretary of Agriculture would be authorized and directed to convey to the respective claimants by quitclaim deed all right, title and interest of the United States in the tracts described. The conveyance would be without consideration, but the claimants would bear any expenses incident to the preparation of the legal documents which are necessary or appropriate.

The tracts to which the claimants seek title were originally held by the United States as a part of the public domain. On December 4, 1903, a single tract encompassing the four tracts involved here was patented to a Mrs. Sarah P. Hamblin pursuant to a homestead entry. This patent to Mrs. Hamblin is the origin of the chain of title under which the claimants hold and claim. In September, 1904, Mrs. Hamblin conveyed the tract to a Mr. W. H. Clark.

In August, 1898, the section in which the tract lies was withdrawn from entry under the public land laws for the purposes of creating the Black Mesa Forest Reserve. On February 18, 1905, Mr. Clark executed and recorded in Apache County, Arizona, a deed to convey the tract back to the United States. Also in 1905 he applied for a forest lieu selection of another tract of vacant public land. The proposed selection was made under the Act of June 4, 1897 (30 Stat. 11). A provision of that Act authorized the owner of a tract of patented land within the limits of a public forest reservation to relinquish the tract to the Government and select in lieu thereof an equal acreage of vacant public land open to settlement.

Mr. Clark filed his application for forest lieu land on March 6, 1905. However, on March 3, 1905, the lieu selection provisions of the Act of June 4, 1897, were repealed (33 Stat. 1264). Consequently, the General Land Office rejected Mr. Clark's application and returned the relinquishment deeds to him.

The tract was conveyed to a Mr. Greenwood in 1921. A number of transfers intervened before the tract was subdivided and conveyed to the present claimants by 1953.

The status of the tract was affected by the provisions of the Act of July 6, 1960 (74 Stat. 334). The effect of this Act was to confirm in the United States title to those lands which had been conveyed or relinquished to it as a basis for lieu selection under the Act of June 4, 1897, and for which the grantor had not received a lieu selection or a reconveyance as provided by law. In lieu of the conveyance or other rights, the grantors were entitled to payments of $1.25 per acre with interest. Payments were also authorized to be made to heirs, devisees, or assignees of the persons who conveyed the land to the United States. Claims for such payments were to be made within one year from the date of the Act. Any lands within a National Forest for which the United States made payment or could have made payment upon proper application under the Act were confirmed as a part of that National Forest.

The tract here involved had been conveyed to the United States in 1905 under the lieu selection provisions of the Act of June 4, 1897. Although Mr. Clark's application for lieu lands was rejected, no reconveyance by the United States to Mr. Clark or his successors in interest had been made. Under the Act of July 6, 1960, the tract has become part of the Apache National Forest and title to it is

in the United States. The present claimants did not exercise their right to payment under the Act of July 6, 1960.

The major purpose of the Act of July 6, 1960 was to settle finally a confused and complex situation relating to the status of lands conveyed or relinquished under the forest lieu selection provisions of the Act of June 4, 1897, as it was amended and supplemented. Under this Act, numerous forest lieu selections were made and completed. However, in some cases, lieu selections were either not filed or not carried through to completion. In these cases, deeds conveying the privately-owned lands within the National Forests were executed and placed of record in the county where the lands were located. For various reasons, the grantors failed to follow through and obtain lieu lands and exercise privileges or rights to reconveyance granted by certain Acts amending or supplementing the Act of June 4, 1897. As a result, tracts of land with unusual status were scattered among National Forests and National Parks in several Western States. Record title to these tracts was in the United States, but the United States had not accepted title or conveyed the lieu lands or other consideration.

Because conveyance to the United States under the Act of June 4, 1897 had occurred around 1900, and due to the complexity of the related records, the correct status of many of the lands involved had become obscured by 1690. Since the lands were shown on local county records in the name of the United States, most were not on either local or State tax rolls during the nearly 55 to 60 years after the recording of the deed to the United States. In most cases they were treated and administered by the Government in the same maner as surrounding Federal lands. The grantors generally were no longer exercising or performing the usual rights and duties of ownership. Most of the grantors were probably dead and in many instances they were widely scattered or unknown.

It is clear that because of the Act of July 6, 1960, title to the tract which is the subject of H.R. 7161 is in the United States. Initially, this Department recommended in its June 12, 1967 report to you on S. 1335 of the 90th Congress, that this land not be returned to the claimants. However, after additional consideration, we believe that the situations to which that act generally applies can otherwise be distinguished from the situation here involved.

Until the 1960 Act the United States has treated the tract involved in H.R. 7161 as private land. The tract has been held and transferred as private land by the successive owners. It has been carried on local tax rolls, taxes have been paid, and the succession of title is clear.

In managing the adjoining Apache National Forest, the Forest Service has recognized and respected a private interest in the tract and has made no attempt to administer it. No improvements have been made to the tract by the United States either before or after enactment of the Act of July 6, 1960.

This history of treatment and disposition differs from cases where grantors or their successors failed to exercise normal acts of ownership or responsibility and the United States, as holder of record title, long protected and administered the lands conveyed.

Private ownership of the tract here involved would not jeopardize or interfere with the purposes of administration and management of the Apache National Forest. The location and nature of this tract are such that it has no special values which make it essential for the Federal Government to retain title to it. This situation differs from those occurring in the National Parks or other areas where a private inholding would interfere with the purposes and programs of the Federal reservation.

We therefore believe the equitable relief that would be afforded by H.R. 7161 would merely conform the legal status of the tract with its actual treatment and would not be inconsistent with the basic purpose of the Act of July 6, 1960. The circumstances of this case are exceptional and would not set a precedent that would weaken the administration or effect of that Act.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD E. LYNG,
Acting Secretary.

Mr. O'NEAL. We have as a witness our old friend Mr. M. M. Nelson, Deputy Chief of the Forest Service, Department of Agriculture.

Mr. Nelson, will you come to the stand?

STATEMENT OF M. M. NELSON, DEPUTY CHIEF, FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY REYNOLDS FLORANCE

Mr. NELSON. My name is Mr. M. M. Nelson, Deputy Chief of the Forest Service. The bill we have for consideration this morning, Mr. Chairman and members of the committee, deals with a tract of land in Arizona within the Apache National Forest which, way back in the early days, was deeded to a party as a homestead entry. When the forest reserves were set up, the original 1897 Act had a provision in it which allowed people that had lands deeded to them located within the forest reserve to deed such land back to the Government and in lieu thereof, select other lands. The grantee in this case did issue a deed back to the Government in 1905 and made application for some lieu lands in the State of Oregon. Prior to the time that application was acted upon, the basic act was amended and withdrew the provision that allowed the selection of lieu lands. The deed conveying this land back to the Government had been recorded in the county records. But at the time the application was turned down, the General Land Office returned the deed to the applicant. Consequently, there has been a misunderstanding about ownership, or it has not been entirely clear since that time. The particular land was developed by the private owners over the years. In connection with this type of confusion that has developed, there have been three different acts passed by the Congress that were intended to clear up such title confusion.

The act of 1922 gave people in this situation a chance to clear up their titles. The act of 1930 also was an act that would have given them a chance to clear up their titles in this regard. The owners of this land did not take advantage of either those acts.

Then the so-called Sisk Act, which is Public Law 86–596, was passed on June 6, 1960, as an effort to, once and for all, clear these matters up. That act gave the people that made a claim within 1 year a chance to receive payment for their lands. The parties that owned this land at this time did not make a claim at that time. They apparently felt that they had good title and ownership. In fact, in 1921, in clearing title at one time, they asked for and received a disclaimer from the Interior Department. That apparently led to their belief that they had ownership.

In the last Congress, a similar bill was before this committee and we reported adversely on that bill on June 12, 1967. We felt that the claimants here had had ample opportunity under the three laws I mentioned. The land, based upon the Sisk Act, had definitely then been confirmed in national forest ownership. We felt that the bill might set a precedent and cause others to try to come forward to get special consideration.

However, since that time, we had done a good deal of studying in connection with the total situation and the legislative history of the Sisk Act. We now have before you a report which reports favorably on the enactment of this bill.

I should tell you, I believe, some of the reasons that we feel that this is not the precedent-setting case that we originally felt it would be. When we study the legislative history, we find that really, the Sisk Act dealt with lands that had been in the national forests and had been

managed as national forest and claimed by the Government. There had been no particular acts by others in controlling the land or protecting the land or in showing normal ownership. In this particular case, however, none of these situations apply. There have been fences, the claimants, have farmed or cultivated part of the land, there is hay on it, and so forth. The claimants have paid taxes since 1921 that we can find out about for sure. We can't find the record on taxes having been paid between 1905 and 1921, but they may have been.

The Sisk Act also dealt with lands, for which no taxes had been paid for 50 or 60 years. This is not the case in this situation. It also dealt with lands where the grantor, and the original grantor's successors were unknown, and that is not the case here, very definitely. They are known; they are making use of the land.

The Senate report on the Sisk Act has some legislative history that indicates that the lands they were talking about were lands that the Forest Service has had under management for approximately 60 years. The Forest Service has protected it. The Congress has appropriated money for the protection. That is not the case in this situation.

There were no acts of ownership by the Forest Service in this case until 1966, after the Sisk Act had gone into effect and we were notified by the Bureau of Land Management that these lands were shown as Government lands in official records. At that time, we posted the boundaries as Government lands, and that is the only act that we have performed that would indicate that there is anything that we have done in the way of ownership, management, control, or protection.

So we feel that this case, after a more diligent study of the legislative history, would not be a precedent-setting case, and the four claimants here—it was originally a single 120-acre tract, but it is now in four different ownerships—have a sufficient case to warrant relief through this legislation.

I believe that is all I have.

Mr. McMillan. Thank you very much, Mr. Nelson.

Mr. Teague?

Mr. Teague. Just one question. I am sure this will arise on the floor.

What's this land worth?

Mr. Nelson. It might be worth about $30,000. A rough estimate is $250 per acre and there are 120 acres.

Mr. Teague. And it is not quite clear to me how or why the cloud exists. What's the basis of the possible Government claim to ownership?

Mr. Nelson. It arises, really, because title is in the Government through the application of the Sisk Act of 1960, which gave claimants a 1-year opportunity to make a claim, and if they did they would be paid at the rate of $1.25 per acre plus interest from the time that they originally gave up, so to speak, their land by deeding it back to the Government. The reason these claimants would have had a claim was because ther predecessors did not get in lieu land even thongh they once deeded this land back to the Government.

Mr. Teague. At one time, it was definitely in the National Forest, is that correct?

Mr. Nelson. No, it is within the boundaries of the National Forest, but it was homesteaded and then the national forest reservation was made. Under the original 1897 act that authorized reservation of na-

tional forests, people who had homesteaded within the reserved area then set up as a forest reserve, were given the opportunity to turn in their deed and select other lands in other areas.

Mr. TEAGUE. And these people failed to do that?

Mr. NELSON. Well, they failed to do it because, by the time they acted on it, the provision of the 1897 act that allowed them to select other lands was deleted from the 1897 act. Consequently, their application for selected lands was returned to them and rejected by the General Land Office at that time, even though they had already given a deed to the Government for the land that they originally owned.

Mr. TEAGUE. I am sympathetic to the bill and I intend to support it, but these are answers we are going to have to have on the floor.

Mr. NELSON. There is one other feature on this particular land that I think I should bring out. It is not prime national forest type land. It is immediately adjacent to other private land. It is used for grazing or sometimes some of it is plowed and there is wild hay on it. It is not land that would be suitable for development of a campground or for other particular national forest uses.

Mr. MCMILLAN. And how many years did you say the owner had paid taxes on this land?

Mr. NELSON. We have been able to dig up in the records that they or their predecessors have paid taxes since 1921 constantly.

Mr. TEAGUE. Mr. Chairman, I suggest, and I am sure that counsel will do it anyway, that we get all of this in the report, because this is the sort of thing that my colleagues on my side, particularly, will be asking a lot of questions about. We can head those off if we have all of these things pretty well set up in the report.

Mr. O'NEAL. Mr. Chairman?

Mr. MCMILLAN. Mr. O'Neal.

Mr. O'NEAL. Did I understand there would be no cloud on this at all were it not for the Sisk Act?

Mr. NELSON. Yes, there would be a cloud. In 1953 we asked the Bureau of Land Management for a status report on this land. The reply was that it was "no man's land" which was defined as land on which the United States held a paper title but not a merchantable title. In other words, there was enough of a cloud on the title so that it was not a salable title.

Mr. O'NEAL. Questionable?

Mr. NELSON. Yes, it was a very questionable title. And the purpose of the Sisk Act was to clear up a lot of these types of situations and it has cleared a lot of them.

Mr. O'NEAL. So the Government's title has always been questionable?

Mr. NELSON. In cases where in lieu applications were not completed, yes, it has.

Mr. O'NEAL. Always, from the very beginning. They got it at a questionable time.

Mr. NELSON. The Sisk Act and earlier acts sought to clarify the situation.

Mr. O'NEAL. And what did the Sisk Act do as far as this questionable title?

Mr. NELSON. It confirmed the title in the United States and provided that such deeded lands are the property of the United States. But it

gave the claimants 1 year after the passage of the act to make a claim, and if they made a claim, it was to be settled by the payment of $1.25 per acre plus interest at 4 percent. Then at that time, after that 1 year, the land then, in accordance with the act, definitely became Federal land. In the case of lands where you had this same situation and there was not a claim, they became national forest lands. There was not a claim filed for this land and consequently, under the Sisk Act, it clearly became national forest land with Government ownership with a clear title.

Mr. O'NEAL. So the effect of the Sisk Act was to require claimants to do something about their claim and gave them a year to do it in.

Mr. NELSON. Yes. It gave them one final chance and then all the claims——

Mr. O'NEAL. And these people did not do it?

Mr. NELSON. They did not do it.

Mr. O'NEAL. So we are making an exception to the Sisk Act, then, are we not?

Mr. NELSON. That is what it amounts to, yes.

Mr. O'NEAL. Why is it that we should make an exception?

Mr. NELSON. Because, when we look back into the legislative history of the Sisk Act this type of land was not the type of land that was intended to be covered.

Mr. Florance can add a little to that.

Mr. O'NEAL. This is the guts of the thing to me, I think, right here.

Mr. FLORANCE. Yes, sir. As Mr. Nelson pointed out, the 1897 act that relates to the national forests provided that patentees of lands within national forests could relinquish those lands to the Government and make lieu selections of lands outside the national forests. There were a number of those relinquishments made. They were made in the form of a deed executed to the United States and recorded in the local records. Many of those transactions were not completed by an approved selection of other lands outside. This was one of those cases.. In other words, the deed was recorded to the United States and is still there on the county records. The lieu selection was not completed, so that the title of the Government prior to the Sisk Act to those relinquished lands was questionable. With reference to the Sisk Act, it was recognized when that act was pending before the Congress that the majority of these lands that had been relinquished to the Government had in effect been abandoned by the former owners, and that the Government in effect had taken over the management and protection of those lands and exercised all of the rights of ownership to those lands as part of the national forest.

In this particular situation, that was not the case and that is the reason that it is felt that this is distinguishable from the general situation that the Sisk Act was applicable to.

Mr. O'NEAL. The Government had never acted like it owned this land?

Mr. FLORANCE. That is correct.

Mr. MCMILLAN. The man had paid taxes on this property for many years.

Mr. FLORANCE. The former owners had been paying taxes, had been exercising the normal rights of ownership by using and occupy-

ing the land, and the Government had not been exercising those rights of ownership.

Mr. McMillan. Mr. Teague?

Mr. Teague. Do you gentlemen feel that we are in any way opening the floodgates? Are we going to have a lot of other similar requests to claims?

Mr. Nelson. No, we are not likely to. We have checked into this more since our original report on the bill in the past Congress, too. There could be one or two or three other cases that might show up someplace. We will know by 1973, because we are in the process of completing what we call our status records project for all lands in the national forest. This project involves going township by township through every single national forest and getting the status records all up to date. We are pretty nearly three-fourths through with that project. We might find some other cases where there will be some questions raised that could result in the same type of thing, but we would doubt more than two or three at the most.

Mr. Teague. You do not expect scores or hundreds or anything like that?

Mr. Nelson. No, we do not.

Mr. O'Neal. Let me go back to this particular instance and see if this is true: The claimants and their predecessors in title in this case on two different occasions have been guilty of laches, you might say, have they not? They have failed to exercise the rights that they had, once back when they had an option in lieu of the—I have forgotten the language you used, but back around 1897, somebody who owned this land failed to do what they were entitled to do.

Mr. Florance. They attempted to make a selection of lieu lands, but it turned out that the lands that they attempted to select were no longer available at that time.

Mr. O'Neal. I see, so I am not right in what I said.

Mr. Florance. Right in part, in that——

Mr. O'Neal. They tried, but they could not do what they were entitled to do?

Mr. Florance. That is correct.

Mr. O'Neal. So they are not to be blamed for it?

Mr. Florance. Not harshly, certainly. They did not follow through as they might have done, but they did make an effort. Their effort was not what it should have been.

Mr. Nelson. Mr. Clark, who was then the owner, filed his request for lieu land on March 6, 1905. The section that allowed that was repealed on March 3, 1905.

Mr. O'Neal. So he didn't get it——

Mr. Nelson. He filed it 3 days after the act passed.

Mr. O'Neal. And he did not get it?

Mr. Nelson. He did not get it. He was turned down.

Mr. O'Neal. Then the second instance follows the Sisk Act, when they did not exercise their rights within a year?

Mr. Florance. That is correct. Now, in the meantime, there was an inquiry that they made to the old General Land Office and a so-called disclaimer went back to them, indicating that the Government had no claim to the land.

Mr. O'Neal. Oh, I see.

Mr. FLORANCE. Now, this was not a title document, but at least, it gave them a feeling of assurance that the Government was not claiming it.

Mr. O'NEAL. I can understand that.

Mr. NELSON. That happened in 1922, when there was a change in ownership.

Mr. O'NEAL. Plus the fact that the Government had never taken possession or exercised any rights of ownership?

Mr. NELSON. That is correct.

Mr. O'NEAL. I understand that.

Mr. MCMILLAN. I notice Mr. Steiger of Arizona has requested permission to file a statement on his bill, and I would like to ask unanimous consent that he be given an opportunity to submit his statement for the record.

(The statement referred to follows:)

STATEMENT OF HON. SAM STEIGER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA

Mr. Chairman and Colleagues. This Bill would quiet title in certain real property in Apache National Forest, Arizona, held and claimed by Leonard N. Rogers, John P. Corcoran, Mrs. Charles W. (Ethel J.) Pensinger, Marion M. Lee, and Arthur N. Lee, under a chain of title dating from December 4, 1903.

The tracts to which the above-named claimants seek title are parts of a single tract acquired by patent in 1903 to a Mrs. Sarah P. Hamblin.

In 1904, Mrs. Hamblin conveyed the tract to a Mr. W. H. Clark.

Mr. Clark, subsequently made application to exchange the land for a different parcel of land under the Lieu Selection Act of 1897. This Act required the applicant to convey to the United States title to the land offered for exchange at the time of application, which he did. Mr. Clark filed his application for lieu selection land on March 6, 1905. However, three days earlier, on March 3, 1905, the lieu selection provisions were repealed. Mr. Clark's application was rejected.

Thus, Mr. Clark had attempted to meet the requirements of the law by deeding his property to the United States government, but got nothing in return.

During the ensuing years, the property was then subsequently split up by a series of transfers which finally resulted in the present ownership. These people have exercised, as well as their predecessors, all the rights of private ownership over the property. Each of the parcels has been openly used agriculturally and improved from time to time without objection on the part of the United States government.

In fact, at one time the Assistant Commissioner of the General Land Office on January 16, 1922, executed a disclaimer of interest in the property. This disclaimer has been relied upon by the present owners.

The property has been carried on the local tax roles, taxes have been paid, and the succession of title is clear. The existence of the disclaimer has certainly acted in a way to leave the present owners to believe that there was no conflicting claim to their property.

Congress and the United States government have by the passage of a series of laws created a situation which is very unfair to the present owners.

Private ownership of the land here involved would not jeopardize or interfere with the purposes of administration and management of the forest lands. The location and nature of this tract are such that it is in no way interfering with national parks or other areas where a private holding would be incompatible with the purposes and programs of the forest reservation.

I believe that the Congress should interpret its successive legislative acts so that the equitable relief provided by this bill would conform the legal status of the tract with its actual treatment, which has been that of private ownership.

The circumstances of this case are exceptional and would not set a precedent that would weaken the administration or affect any of the provisions of the past legislation.

The United States has made no improvement on the premises. In fact, until recently it was considered by national, regional and local forestry officials as being private property.

Title insurance policies have been written on parts of the land. A federal government loan is presently outstanding on a part of the subject land.

All of the surrounding facts and circumstances seem to indicate that the present owners should have clear title to the land. This Bill will cure what otherwise is an obvious injustice.

Mr. McMillan. If that is all for this bill, I would like to call up Senate 65,80,81, 82 en bloc.

(The bills referred to follow:)

[S. 65, 91st Cong., first sess.]

AN ACT To direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to Emogene Tilmon of Logan County, Arkansas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey by quitclaim deed, without consideration, to Emogene Tilmon the sand, gravel, stone, clay, and similar materials reserved to the United States in a certain tract of 80.07 acres of land, conveyed to her by deed dated September 22, 1960, recorded in Logan County, Arkansas, on October 10, 1960, in Book 52 of Deeds, page 691: *Provided*, That the conveyance authorized by this Act shall change none of the other provisions or conditions of the above cited September 22, 1960, deed from the United States: *And provided further*, That such sand, gravel, stone, clay, and similar materials shall only be used on said tract.

[S. 80, 91st Cong., first sess.]

AN ACT To direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to Enoch A. Lowder of Logan County, Arkansas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey by quit claim deed, without consideration, to Enoch A. Lowder, the sand, gravel, stone, clay, and similar materials reserved to the United States in a certain tract of forty acres of land, more or less, conveyed to her by deed dated February 5, 1963, recorded in Logan County, Arkansas, on February 23, 1963, in Book 55 of Deeds, page 141: *Provided*, That the conveyance authorized by this Act shall change none of the other provisions or conditions of the above cited February 5, 1963, deed from the United States: *And provided further*, That such sand, gravel, stone, clay, and similar materials shall only be used on said tract.

[S. 81, 91st Cong., first sess.]

AN ACT to direct the Secretary of Agriculture to convey sand, gravel, stone, clay, and similar materials in certain lands to J. B. Smith and Sula E. Smith, of Magazine, Arkansas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey by quitclaim deed, without consideration, to J. B. Smith and Sula E. Smith, his wife, the sand, gravel, stone, clay, and similar materials reserved to the United States in a certain tract of 52.13 acres of land, more or less, conveyed to them by deed dated November 26, 1962, recorded January 12, 1963, in deed book 55, page 110, Southern District Court House of Logan County, at Booneville, Arkansas: *Provided*, That the conveyance authorized by this Act shall change none of the other provisions or conditions of the above cited November 26, 1962, deed from the United States: *And provided further*, That such sand, gravel, stone, clay, and similar materials shall only be used on said tract.

[S. 82, 91st Cong., first sess.]

AN ACT to direct the Secretary of Agriculture to convey sand, gravel, stone, clay and similar materials in certain lands to Wayne Tilmon and Emogene Tilmon of Logan County, Arkansas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey by quit claim deed, without consideration, to Wayne Tilmon and Emogene Tilmon, his wife, the sand, gravel, stone, clay and similar materials reserved to the United States in a certain tract of 70.36 acres of land, more or less, conveyed to them

by deed dated November 27, 1959, recorded in Logan County, Arkansas, on March 8, 1960, in Book 52 of Deeds, page 556: *Provided*, That the conveyance authorized by the Act shall change none of the other provisions or conditions of the above cited November 27, 1959, deed from the United States: *And provided further*, That such sand, gravel, stone, clay, and similar minerals shall only be used on said tract.

Mr. NELSON. Would you like us to talk on all four of those at the same time? They are all on the same subject.

Mr. MCMILLAN. Yes; and I would like to ask permission that the statement be included in the record by Congressman Hammerschmidt.

(The statement referred to follows:)

STATEMENT OF HON. JOHN P. HAMMERSCHMIDT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. Chairman, some years ago the Forest Service needed land in the Magazine Ranger District of Arkansas belonging to my constituents, named above, and offered in exchange for the land, some of equal value outside the District.

Oil and gas rights were reserved to the Government for 30 years on such land to which these people had no objection, but because of standard practices of the Forest Service at that time, the deeds included reservations to the Federal Government of all interest in sand, gravel, stone, clay, and similar materials.

The reservations have impeded use or sale of the land because prospective buyers have felt themselves precluded from excavating for building foundations or using soil for fill at other locations. Being in their seventies, this reservation places an undue burden on my constituents.

The Forest Service acknowledges that reserved rights to these materials have no value to them in this area because materials are common to the vicinity.

The Senate adopted the Miller amendment to provide that these materials be used only on the land involved and perhaps resulted from his feeling that there might be some chicanery on the part of these people. I ask that the Committee delete this amendment which would question the integrity of the value for value agreement between the parties at the time of exchange. I recommend and urge that the Committee favorably report these bills so that early action can be taken to relinquish government interest in the lands.

Mr. NELSON. We have not prepared a report to this committee on these bills. We have prepared reports that were submitted to the Senate on these bills on July 9, 1969. I believe those are contained in the Senate reports on the bills that you have before you. If not, I have the reports on three of them here.

Mr. MCMILLAN. Would the committee want separate reports on these or use the Senate report?

Mr. TEAGUE. As far as I am concerned, the Senate reports.

Mr. MCMILLAN. The Senate reports as far as I am concerned, will be sufficient.

Mr. NELSON. The Departmental reports to the Senate are printed in the reports.

All of these bills are on the same subject. Out in a section of Arkansas, we have been making or have made a number of land exchanges in order to block up national forest lands in the Ozark National Forest.

At the time these exchanges were made, it was standard practice for us to reserve the minerals, gas, and oil. Included in this reservation and stated in it were sand, gravel, clay, and that type of common minerals. All of these exchanges were made with the Government reserving the sand and gravel. Since that time, or later on, our geologists have looked over the area and we have determined that sand and gravel and clay are a very, very common variety of mineral and

have no value at all. It is very common in that area. Consequently, in our later exchanges that are made now, we do not reserve the sand and gravel; we continue to reserve such minerals as oil and gas, but not sand and gravel.

During the process of sale of some of this property that was received through exchange by some of the people that are involved with these bills, the sellers were informed that the prospective buyers were considering this reservation so tight that they could not even dig a foundation for a basement to build a house and move that sand and gravel to some other part of the property. We have never considered our Government reservation for sand and gravel as being anything of that nature. However, as I mentioned, some people are so interpreting it and that it puts a cloud on the title that is unjustified. Consequently, these four bills have been introduced to give relief by deeding to these particular owners the reservation that was made for sand, gravel, stone and clay and similar materials at the time the exchanges were made.

Since this material has no value and since we no longer reserve it in this area, where it is such a common variety, we have no objections to issuance of a quitclaim deed that would take this out of the reservation of the Government in any of these four bills.

Mr. TEAGUE. Is that all these bills do?

Mr. NELSON. That is all they do.

I should say, that in connection with S. 81, our report on that recommended some changed language, because there were some dates that were wrong in the original Senate bill and the Senate accepted those changes and took care of it in their bill.

Mr. O'NEAL. Did you say there was actually no salable value to the sand and gravel and stone and clay on this land?

Mr. NELSON. That is right.

Mr. O'NEAL. The Government has specifically considered this possibility and there is no value to it?

Mr. NELSON. Yes, it is such a common material in that area that there is really no value to it at all.

Mr. O'NEAL. This is simply something to clear up the building rights?

Mr. NELSON. That is really what the situation is.

Mr. TEAGUE. I understood from counsel that the Senate had added an amendment of some sort which I would like to have explained a little further.

Mr. NELSON. I believe there is a sentence that was added to that bill. I will ask Mr. Florance to talk to that. It is a sentence that we would not object to, but we do not see any need for it, as I understand it.

Mr. FLORANCE. This addition that was made on the floor of the Senate at the time the bills came up added a proviso as follows: "That such sand, gravel, stone, clay, and similar materials shall only be used on said tract."

As Mr. Nelson has said, we did not see any need for this provision, but we have no objection to it.

Mr. TEAGUE. Apparently someone in the Senate suspected that maybe this does have some value.

Mr. FLORANCE. This is correct, apparently.

Mr. TEAGUE. Suppose it does. It does not seem to me that we should restrict the sale. Do you have any comment on that?

Mr. FLORANCE. We have satisfied ourselves that as far as we can tell, it has no commercial value. We see no reason to restrict the use that the owner of the land would make of materials.

Mr. MCMILLAN. Any questions?

Mr. O'NEAL. None.

Mr. TEAGUE. I have no more.

Mr. MCMILLAN. Thank you very much. We appreciate your coming to the committee hearing to explain these bills to the subcommittee.

There is no House bill pending on these?

Mrs. HANNAH. Not on those four Arkansas bills, just the Senate S. 55.

Mr. MCMILLAN. Thank you very much, Mr. Nelson and Mr. Florance.

The committee will go into executive session.

(Whereupon, at 10:45 a.m., the subcommittee went into executive session.)

EXTEND FINANCIAL ASSISTANCE TO DESERTLAND ENTRYMEN

THURSDAY, NOVEMBER 13, 1969

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CONSERVATION AND CREDIT
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to call, at 10 a.m., in room 1301, Longworth House Office Building, Hon. W. R. Poage (chairman) presiding.

Present: Representatives Poage, Stubblefield, Alexander, Teague of California, Goodling, and Mayne.

Also present: Christine S. Gallagher, clerk; Lacey C. Sharp, general counsel; Hyde H. Murray, associate counsel; and L. T. Easley, staff consultant.

The CHAIRMAN. The subcommittee will please come to order.

We are meeting this morning to consider H.R. 6244, by Mr. McClure and Mr. Hansen of Idaho, to enable the Secretary of Agriculture to extend financial assistance to desertland entrymen to the same terms and same degree as such assistance is available to homestead entrymen.

(H.R. 6244 by Mr. McClure and Mr. Hansen of Idaho follows:)

[H.R. 6244, 91st Cong., first sess.]

A BILL To enable the Secretary of Agriculture to extend financial assistance to desertland entrymen to the same extent as such assistance is available to homestead entrymen

Be it enacted by the Senate and House of Representatives of the United States of Amerieа in Congress assembled, That (a) the first sentence of the Act entitled "An Act to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes", approved October 19, 1949 (63 Stat. 883; 7 U.S.C. 1006a), is amended by striking out "homestead entry" and inserting in lieu thereof "homestead or desertland entry".

(b) The last sentence of the first section of such Act is amended by striking out "reclamation project" and inserting in lieu thereof "reclamation project or to an entryman under the desertland laws".

The CHAIRMAN. I believe Mr. McClure is here, and we would like to hear from you. We are glad to have you with us and we appreciate any suggestions you have in this matter. I think it has been before us several times. This comes up every 5 years or something of that kind, does it not?

Mr. MCCLURE. Mr. Chairman, this matter has been before the committee and before the Congress before, but this time we have a favorable report from the administrative department.

The CHAIRMAN. All right, sir. Glad to have you explain just what is involved and why.

STATEMENT OF HON. JAMES A. McCLURE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO

Mr. McCLURE. Mr. Chairman, with some trepidation because you know so much about this subject, more than most of the people, I would like to read the statement because it contains some background which illustrates the importance.

I want to thank you, first of all, for this opportunity to appear before you to speak in support of H.R. 6244 which I have cosponsored with Mr. Hansen, my colleague from Idaho. The time and consideration of this subcommittee is greatly appreciated.

The development of the United States from the Jamestown Colony and the landing of the Pilgrims has depended on the courage, the faith, and the industry of the American farmer. I'm not overlooking the romance of the trapper and fur trader, but they operated pretty largely beyond the frontier—and, indeed, could not operate except in the undeveloped vastness of our continent. I'm not unmindful of the contributions of the miners who led thousands westward across the land in search of instant riches 120 years ago. But it was the tiller of the soil who cleared and planted and built upon which the solid progress of this Nation was founded.

You all know the complex social evolution which prompted the enactment of the Homestead Act over a hundred years ago and the profound changes across our land which followed. I assume you are all aware of the needs which prompted the passage of the Desert Land Act in March of 1877, and I'll not burden you with any lengthy repetition of the rationale behind these landmark laws. They are just as desirable today as they were then, but the problems of implementing them are different now. A hundred years ago, land lay waiting and all it required was labor to develop it—and a law which would permit it. As the most easily developed lands were taken up, the emphasis shifted to those lands which required irrigation to make them productive and the Desert Land Act provided the incentive. The lands which were easily irrigated and inexpensively developed were taken early. There remain good lands and adequate water, but they must be brought together. No longer is it possible for a sturdy, self-reliant man to simply move on open land and put it to the plow. No longer is it possible simply to divert a stream to the lands along its banks—that has long since been done. And just as farming has now become big business, so, also, does it require investment of large sums of money to provide the irrigation works and equipment to reclaim the desert lands of the West.

I won't burden you with a repetition of all the statistics of the population explosion which dictate the need for expanded food supply in the not too distant future. This committee is leading our Nation to an awareness of this problem. I would, however, like to point to the time which is required to make a productive farm out of raw land and urge that we cannot wait until a food shortage develops and then expect to put new lands into full production overnight.

In Idaho we have at least 12 million acres of good land that are irrigable—and as productive as any in the country. We have enough water to irrigate those acres, but we must bring them together (and

I should remind by friends in the thirsty Southwest that the Snake River alone cannot provide all the needed water for all those acres). There are several courses of action for us to follow, such as reclamation projects, water and land conservation practices, and other Federal programs under existing laws. I want to emphasize, however, the tremendous strides being taken in Idaho in recent years in the development of lands by individual initiative.

Since 1950, we have averaged 50,000 acres of newly irrigated land each year. This is the equivalent of a Columbia Basin project each 10 years. The tremendous growth of the potato industry in Idaho has relied heavily on these new lands—and we need more.

The original Desert Land Act of 1877 provided that individuals could obtain patent to 640 acres of land, but this was reduced in 1891 to 320 acres. Under this provision, a husband and wife together could develop 640 acres, and this has been the law since then. Since its passage over 10 million acres of land have been patented under the act, and about 1,400,000 acres of this has been in Idaho. Since 1955, an average of 17,000 acres has been patented annually under the Desert Land Act.

In the United States in 1962, there were 153 desert land entry patents issued on 36,322 acres. Of these, 61 patents covering 15,131 acres were in Idaho. Of those lands classified as suitable for desert land entry in 1968, all but one of the 193 entries were in Idaho. As of September 24, 1969, there were 770 pending desert land entry applications in Idaho. I think these figures indicate the importance of the pending legislation to Idaho.

The Farmers Home Administration has long been authorized to lend money for the development of a homestead entry. Although an entry under the Desert Land Act may be for more land and is most certainly more expensive, this source of development capital has not been available to the desert land entryman. Until the land is cleared, a functional water distribution system installed, and the land brought into production, the entryman has no title. Without title, the land cannot be used as security. Unless the entryman has substantial resources outside the land he is attempting to reclaim, it is almost impossible to obtain the needed financing. A recent check indicates that almost 20 percent of the original entrymen—those who first go on the land to clear it and cultivate it—almost 20 percent fail. Of course, these are the ones with the least financial resources. Even worse, many young and capable people have no hope of obtaining the financing necessary to even start—they are frozen out at the beginning.

Because of these financial obstacles, and because of the high cost of developing the extensive irrigation works which are necessary today, we are now witnessing the growing reliance upon group applications.

The object and purpose of H.R. 6244 is to allow desert entrymen to receive credit from the Farmers Home Administration to the same extent as such assistance is available to homestead entrymen. The legislation would fill the existing void since the entryman has no security sufficient for the granting of a loan to develop the land. Without developing the land he cannot get title which can provide the security upon which he can obtain development capital. Our bill would

break this vicious circle and extend aid to many worthy individuals who are ready to open these new lands.

I urge your favorable consideration of this legislation.

The CHAIRMAN. Thank you. We are very appreciative to you for this interesting statement. I think it would be helpful if we could understand a little bit better this whole philosophy of the desert entrymen. Really, what is the difference between the desert entryman and the homesteader? You have the opportunity to explain why there should be any difference, if indeed there is a tremendous difference.

I wonder if you would just explain.

Mr. MCCLURE. Well, the essential difference between the homestead entry and the desert entry are two. In the homestead entry, the entryman must actually reside upon the land and this requirement is not in the desert land entry law.

Secondly, the amount of land which can be claimed under the desert land entry is a larger acreage than the homestead entryman law. But I think there are substantial reasons for both of these provisions in the law.

The desert land entry law recognizes the difficulty and expense required to put in irrigation works and, therefore, allows a larger plot of land to be developed.

I think that while it recognized the fact that more land could be developed, it also imposed a greater financial strain upon those persons seeking to develop.

The CHAIRMAN. Well, that leads me to just what I think we need to discuss. I realize that there are very conflicting opinions on it. But at a time when we recognize that we are overproducing, how far should we go toward putting Government money into bringing more land in cultivation?

Mr. MCCLURE. Well, this is often a difficult question upon which volumes have already been written and said. I am sure the committee recognizes the fact that the great majority of crops which are raised upon irrigated lands are not those which are surplus. I would be the first to admit that you just can't make that argument without recognizing the possibility of diversion of other lands into other products if these irrigated lands didn't exist. But the irrigated land of the West does not really supply much of the surplus that is plaguing the Nation except possibly in the field of cotton.

The CHAIRMAN. You don't grow any cotton?

Mr. MCCLURE. We don't have any cotton in Idaho, Mr. Chairman. We do, as I pointed out in the statement, have a need for more lands to produce the potatoes that we have marketed in such abundance and the potato processing industry that has grown based upon the irrigated lands in Idaho now run out of potatoes before the end of the year. They have to go out and buy potatoes elsewhere to fill their need.

We could very well utilize this land in the production of potatoes, for which there is a very ready market today.

The CHAIRMAN. Your testimony today raised a very interesting point that I just don't know anything about. Why is it that practically all entries are in the State of Idaho when the law applies to the whole country and there are about 16 States in which there are lands?

Mr. MCCLURE. Two reasons, I think, Mr. Chairman. First of all, the ready availability of land and water which can be put together. We have both.

Secondly, the readily available market at good price for the product that could be raised on those lands. I think this circumstance coupled with a growing urgency on the part of all of our State and local officials in the development of our land and water resources has focused upon these lands in Idaho and has led to a greater interest and therefore a greater development.

The CHAIRMAN. It just seems so strange that you would have practically all of these entrymen in the one State.

Mr. MCCLURE. I think, Mr. Chairman, there may be one other reason which is significant here. Idaho was one of the early and leading reclamation States, and in recent years we have not had much reclamation in the State of Idaho by Federal projects.

A great many of the other States in the West are relying upon the Federal project for reclaiming the land. We have not done that.

The CHAIRMAN. In other words, none of these large projects?

Mr. MCCLURE. That is correct.

The CHAIRMAN. Now, this big game, where is that?

Mr. MCCLURE. It is in the State of Washington. The larger portion of the reclamation projects in the Pacific Northwest are parts of the Columbia Basin project which will bring in 500,000 acres of land in the State of Washington.

The CHAIRMAN. With Idaho water?

Mr. MCCLURE. Its water largely originates in Idaho and Canada.

The CHAIRMAN. I refer to your interesting remark here about the Southwest, where you have suggested you want to remind the thirsty Southwest that the Snake River alone cannot provide all the needed water for all those acres. I take it what you mean applies to all of us in the Southwest: keep your hands off the Snake River.

Mr. MCCLURE. Mr. Chairman, the Snake River happens to be the southernmost of the Pacific Northwest watershed. So those who want water from the Northwest naturally look there first. I think we need to raise the red flag of warning and that our shovels are raised and our guns are cocked and we are ready to defend that water.

The CHAIRMAN. I can't blame you. Coming from a water short area myself, I recognize you have to take care of what you have. I don't think any of the people in Oregon ever proposed to get any water out of the Snake River. We tried to make some inquiry as to the water that goes into the Pacific Ocean from the Columbia River and were told they prefer that it went into the ocean to be wasted forever.

So we have been talking to people to the east, trying to deal with folks down in the lower reaches of the Mississippi River. In fact, we have been trying to take some of these floodwaters off of Arkansas, that give so much trouble. We are trying to find somebody that is bothered with water. We know that we can't get water that people need, and I recognize that we shouldn't expect it. I don't think that any large number of our people do expect water that anybody needs, but I was through east Arkansas this spring and I saw water all over the country.

Mr. ALEXANDER. We have more than we need.

The CHAIRMAN. That's right, and we would like to purchase it off of you and move it west. It seems to me that is the most logical way to take care of our needs, to take water at flood time when it certainly

is of no benefit to anyone, and it is a detriment to everybody concerned, and move it west at that time. I realize nobody could be expected to say, "Let's go dig into the normal flow of the streams."

Mr. McCLURE. I am sure, Mr. Chairman, when we study the water requirements of any given area and we find that their water is not surplus, that nobody is going to ask them to give that water up. It is only in the areas where there is surplus water other areas can make legitimate requests to share that surplus water.

The CHAIRMAN. We keep hearing there is enough water that falls in the United States to provide adequately for the whole of the United States. I don't know if it is true or not, but I have heard that statement. I think if it is true, we ought to work out a system of transporting it when it is in excess in one area to another area where it is not in excess, where it is needed. I realize that it involves not only transporting it, but storing it. I am sure had I waited to August and went through Arkansas that I would have found there wasn't any water there that they wanted to get rid of.

Mr. ALEXANDER. It was already in the well.

The CHAIRMAN. In May you had a whole lot of water you wanted to get rid of, and too, almost every spring of the year.

Are there questions?

Mr. ALEXANDER. No questions.

Mr. McCLURE. Mr. Chairman, let me conclude only to refer again to the fact that all we are asking under this legislation is that the same kind of treatment that the homestead entryman has been afforded many years ago. You would be very helpful if we can get that.

The CHAIRMAN. Thank you.

We will be glad to hear from you.

STATEMENT OF HON. ORVAL HANSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO

Mr. HANSEN. Thank you, Mr. Chairman and distinguished members of the subcommittee.

I appreciate the opportunity of appearing before the subcommittee in support of H.R. 6244, which I have cosponsored with my colleague from Idaho, Congressman McClure.

Congressman McClure, I think, has made the basic case in support of the legislation. I will not read the statement I have prepared at length. I will, with permission of the committee, submit it for the record.

The CHAIRMAN. No objection.

Mr. HANSEN. And I will make a comment or two that I think might be appropriate.

(The statement of Mr. Hansen follows:)

STATEMENT OF HON. ORVAL HANSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO

Mr. Chairman, I appreciate the opportunity to appear before you and the distinguished members of the Special Subcommittee on Conservation and Credit of the House Agricultural Committee in support of H.R. 6244, which I have cosponsored with my colleague from Idaho, Mr. McClure.

Under Title 7, Section 1006a of the United States Code, the Secretary of Agriculture is authorized to make a loan or loans to any person who has made

or makes a homestead entry on public land or who has contracted for the purchase of public land in a reclamation project pursuant to the applicable provisions of the homestead and reclamation laws. This legislation would authorize the Secretary of Agriculture to extend financial assistance to desertland entrymen to the same extent as such assistance is now available to homestead entrymen under existing law.

Increasing costs of land development and the lack of public lands suitable for homestead entry has resulted in greater emphasis upon desertland entries, particularly in my own state of Idaho where the availability of adequate water resources for agricultural purposes has resulted in a high rate of desertland entries. As of June 30, 1968 there were 1,208 unclosed desertland entry applications pending in 11 western states. Of this number, 929 were in Idaho. During fiscal year 1968, 1,293 desertland entry applications were closed in these same states. Idaho accounted for 745 of the closed applications. In 1968 there were 153 desertland entry patents issued on 36,622 acres with 61 patents issued in Idaho containing 15,131 acres. Of those lands classified and found suitable for desertland entry in 1968, all but one of the 193 entries found suitable were in Idaho. Since 1947, 2,199 desertland entries have been allowed in Idaho containing 534,353 acres. From March 3, 1877 to June 30, 1969 there were 7,249 patented desertland entries in Idaho encompassing 1,397,357 acres. As of September 24, 1969 there were 770 unclosed desertland entry applications pending in Idaho.

An examination of the characteristics of desertland entries is helpful in understanding the need for federal financial assistance for the development of this form of entry. Desertland entries are 320 acres in size compared to the 160 acre size of homestead entries. In order to secure a patent to a desertland entry, it is required that the land be cleared and adequate irrigation facilities provided. The failure of an entryman to comply with these requirements will result in cancellation of his entry. Until a patent is acquired, a mortgage on such land has little or no security value. In order for an entryman to acquire credit under existing law from the Farmers Home Administration for irrigation facilities and other land development, he must have adequate security for a loan without consideration of the entered land. Under these conditions, few entryment can qualify for the necessary loans.

Rapidly rising costs of land development and the need to develop larger, more economically feasible land tracts for farming such as those provided by desertland entries, also emphasizes the need for this legislation. In Idaho we are aware of the need to utilize our water to the greatest extent possible. Passage of this bill will be of great value in helping to meet these needs.

The considerable capital expenditure necessary to develop a desertland entry has resulted in a recent increase in the number of applications made by groups, particularly in Idaho. Questions of the legality of group applications have been raised. Approval of H.R. 6244 would permit the Secretary of Agriculture to obtain a valid mortgage on entered desertland prior to the issuance of a patent to an entryman, thereby making it possible for more individual entrymen to be extended financial assistance.

It is my understanding that the Department of Agriculture has approved the enactment of this proposal and the Bureau of the Budget has advised the Committee that this legislation is consistent with Administration objectives. I therefore urge your favorable consideration of H.R. 6244.

Thank you, again, for the opportunity to express my views on this legislation.

Mr. HANSEN. As the chairman and members of the committee know, under title 7, section 1006a of the United States Code, the Secretary of Agriculture is authorized to make loans to homestead entrymen. This bill, as it has been pointed out, would simply extend the same authority with respect to desert entrymen. I would suggest that the conditions and circumstances and justification that make it proper and appropriate for financial assistance of this nature to be extended to homestead entrymen weigh equally in favor of the same assistance for desert entrymen.

I think it is also proper to note that in connection with some of the earlier discussion, that in the State of Idaho we are still yet undeveloped, we have water resources, land resources that can contribute

enormously to the future economic growth and development of this State. The need for this kind of capital required to develop farming operations on the scale to make them economically sound is very great. For the most, part, the crops that are produced on this land are not crops that are either in surplus supply or which are the subject of Federal crop support programs. I would suggest also that the development of the water resources and the land to produce more food and fibers in those areas is consistent with other overall national objectives and that is to try to stimulate to the greatest extent possible the development of the rural parts of our country as one of the best ways and most direct ways to find solutions to some of the difficulties that plague our urban centers.

This bill, this passage with the assistance it could bring to those who are willing to extend their efforts to develop this land to make it productive, to contribute to the building, the economy, would be consistent with that national objective. It is my understanding that this legislation does have the approval of the department and it is consistent with the administration objectives.

I would urge its favorable consideration by this subcommittee.

The CHAIRMAN. Thank you very much, Mr. Hansen, for your interesting comments. I understand our colleague, Mr. Teague, will be back, but he will not be here in time. I will ask you a question or so on his behalf. Let me ask you about the difference between the 160 acres that the homesteader takes and the 320 or 640 acres that the desert entryman family—it is almost always 640 acres, is that right?

Mr. HANSEN. That is my understanding, Mr. Chairman.

The CHAIRMAN. Now, I understand that, at least in the State of California, and I think it would be true in the State of Texas where there is Federal reclamation all the irrigation on the land is private. Nobody is supposed to get any help, any assistance whatever, not even supposed to get the water out of those Federal projects, if they own more than 160 acres. Is that right?

Mr. HANSEN. I think that is a fair interpretation of the applicable law.

The CHAIRMAN. Mr. Teague has made a point to question dozens and dozens of witnesses here about that point: Would they be willing to put water on more than 160 acres in California?

I presume you would?

Mr. HANSEN. Yes, sir.

The CHAIRMAN. As a matter of fact, as long as that 160-acre limitation exists in the law, then there is a basic reason for making this distinction between the homestead entryman and the desert entryman, isn't there?

Mr. HANSEN. That is one basis, I think, for a distinction. I think it does not go to the essence of this legislation.

The CHAIRMAN. This legislation would, if I understand it, allow the Federal Government to advance money through the Farmers Home Administration to install working irrigation, would it, on desert entry?

Mr. HANSEN. Yes, sir.

The CHAIRMAN. On the same basis as it does on the homestead entry?

Mr. HANSEN. Yes, sir.

The CHAIRMAN. Which means that there would be no discrimination against the man that had 640 acres as compared to the man that has the 160 acres. Isn't that what it does?

Mr. HANSEN. Yes, that is correct.

The CHAIRMAN. At the present time, as I understand, there is not an acre of public land or an acre of Federal irrigation project in the district I represent, not one. But if I understand it correctly, this bill would give to the desert entryman an opportunity to receive Federal help that is denied to everybody else who owns more than 160 acres?

Mr. HANSEN. Mr. Chairman, I think at the same time under the present law the desert entryman is entitled to no assistance.

The CHAIRMAN. That's right. That is why you give him more land.

Mr. HANSEN. Regardless of the amount of land.

The CHAIRMAN. I say that is why you give him more land. He is entitled to no assistance; we felt this is rough country and it took a great deal of effort in those days, and expenditures in these days, to enable a man to develop this country. So, he ought to have more land so his rewards would be greater than that of the homesteader.

Mr. HANSEN. I would suggest, Mr. Chairman, that the needs are even greater for this kind of assistance.

The CHAIRMAN. We recognize that. We recognized that we gave him more land because his needs were greater.

Mr. HANSEN. His needs for financial assistance are also greater.

The CHAIRMAN. That is correct.

Mr. HANSEN. Because of the large capital investment required.

The CHAIRMAN. I realize the difficulty he faces unless he has gotten the patent on it. There are at least 3 years he has to live on it, and he has to make improvements on it.

Mr. HANSEN. It is not required on desert entry.

The CHAIRMAN. You are just supposed to improve it?

Mr. HANSEN. Right.

The CHAIRMAN. And obviously it was recognized that he had to go to greater expense to improve it. So it seems to me there is a distinction. Maybe it isn't a great one, maybe it is one that ought to be wiped out, but all I was trying to do is to be sure we had a record. I am sure Mr. Teague would want to ask the question about the use of more than 160 acres.

We will be glad to have you, Mr. McClure, come back if you care to.

Mr. MCCLURE. Mr. Chairman, all I was going to add, I think the 160-acre limitation that you mention is embedded in reclamation law in which the Federal Government constructs the project without any loans, and with contracts for repayment of principal without interest and the real distinction that should be drawn here is that the Federal Government and the taxpayers of the country to that degree assist the project developers without repayment. Under the FHA loan system, these are commercial loans upon which interest is charged and should be repaid. That is the comparison that should be drawn.

The CHAIRMAN. At what rate?

Mr. MCCLURE. I am not sure what the current rate is, 5¼ or 5 percent at the current time. They are repaid just as commercial loans are repaid. Whereas the reclamation law, the repayment contracts do not require the repayment of interest. That is carried in the Government obligation to finance.

The CHAIRMAN. That's right. That is what we contemplated it is about the same as subsidizing half of the cost.

Mr. MCCLURE. I think that is the real distinction between the two programs.

The CHAIRMAN. In this the subsidy is running at least 40 percent of the cost, isn't it, is that about it? I mean, there is certainly no difference here other than a matter of possibly some degree as to the amount of the subsidy. But in principle, what we are doing here is subsidizing part of the cost, and that is really the reason you want to make these laws. That is the primary reason, isn't it, to get this money at 5 percent instead of at 9 which a person probably would have to pay?

Mr. HANSEN. I would say that is among the reasons, yes.

The CHAIRMAN. I would think so. I don't think it is a vicious reason, I don't see anything wrong with trying to do it, but I can't draw a distinction between this and the reclamation projects that you draw. It is just a matter of what degree of subsidization you are putting there.

Mr. HANSEN. It seems to me that the 320-acre limitation reflects that the size of the farming operation must be such that it can be carried on economically, that it can justify the investment to operate at a profit. And apart from the considerations underlying the limitation under the Reclamation or the Homestead Acts, I think this bill is a realistic response to the needs in the case of the desert entry.

I think, therefore, the same kind of financial assistance to the extent possible can be justified for the desert entryman as is made available for the homestead entryman.

The CHAIRMAN. I don't want to belabor the point, but since it is one my colleague makes day after day, I certainly want to get his record established. The point Mr. Teague has always made—and frankly, I thought there was great merit to it—is why should we have a limitation of 160 acres on these Government projects. Why should there be any? I think you will agree this shouldn't be possible.

Mr. HANSEN. In my judgment, the 160-acre limitation is unrealistic in terms of present farming practices, and the requirements for the kind of operation that you must have.

The CHAIRMAN. That, of course, has been the point, as you know, in the movement of this water down through California. With Government assistance they have tried to keep those people who own more than 160 acres from getting any benefit at all from the movement of that water. I understand their resentment against it.

Mr. HANSEN. I would certainly say I would welcome a review of the whole system of limitations to determine what is realistic and what does contribute to an efficient and profitable farming operation.

The CHAIRMAN. Would you tell us just what the Homestead Act amounts to now. Mr. McClure gave us some interesting figures as to the number of desert entrymen at the present time, and frankly, I was somewhat surprised that there were as many entrymen as there are. Although there weren't a great many, 153 patents issued in 1962.

Now, how does that compare to homestead interests?

Mr. HANSEN. I am afraid I can't furnish precise statistical information except in the case of desert entry. It is far greater in the State of Idaho than any entry in the Homestead Act.

The CHAIRMAN. Is that simply because the obligation is substantially the same—I know it is not quite the same, but it is substantially the same—and they want to get more land under the desert entryman act. Is that the reason?

Mr. HANSEN. That undoubtedly must be a part of the reason. I think, also, the fact that you need not live on the land makes the desert entryman's more attractive. The fact that you can, under certain circumstances, make a group application, and also the fact that it involves the use of water on the land to develop an irrigated crop may make a difference.

The CHAIRMAN. Doesn't the entry require that you put a portion of that land under irrigation under a certain period of time?

Mr. HANSEN. That is my understanding, yes, sir.

The CHAIRMAN. Are there any other questions?

Mr. STUBBLEFIELD. No.

Mr. MAYNE. I noticed, Congressman Hansen, that in Congressman McClure's testimony he referred to the potato production in Idaho and that it was their hope to expand this with passage of this act.

What crops do you plan to grow out there in Idaho with this additional development if it becomes available?

Mr. HANSEN. A great deal of the land that is put under production under the desert entry goes initially into potato production. Then the pattern is usually one of diversification with legumes, alfalfa, quite often, production of feedgrain, growing of grain, and the development of pastureland for the raising of livestock.

Mr. MAYNE. What legumes?

Mr. HANSEN. Alfalfa, largely.

Mr. MAYNE. As you know, our Government does make a very substantial outlay of expenditures to keep some of these crops from coming into too abundant supply, and I am wondering what you would have to say on the proposition that you might be working at cross purposes to this in trying to increase production, for example, of feedgrains at the same time we are operating a farm program which is trying to keep production curtailed?

Mr. HANSEN. Well, I might say in the case of most Idaho farming operations, the production of the feedgrains and the alfalfa is really supplemental to the basic cash crop which would be, in this case, mostly potatoes. It provides a means of diversifying the farm operation and maintains soil fertility. It really doesn't contribute to any overall surplus in the country, but does make it possible for the farmer to graze a few head of cattle or for purposes of beef production, or a few head of dairy cattle to contribute to a diverse farming operation.

Mr. MAYNE. Well, it does seem to me, Congressman, with it becoming increasingly difficult for those of us who are interested in agriculture in the Congress to get sufficient appropriations to get a fair break for the farmer who is already engaged in production, we must take a pretty careful look at anything that is going to make that fellow's lot more difficult with increasing overproduction.

Thank you.

The CHAIRMAN. Any other questions?

Mr. ALEXANDER. No questions.

The CHAIRMAN. If not, we are very much obliged to you, Mr. Hansen, and we appreciate your attendance here.

We will now call Mr. Dalsted, Director for the Farm Ownership Loan Division, Farmers Home Administration. He is accompanied by Mr. James Lee and Mr. Howard Campbell. We will be glad to hear from you.

STATEMENT OF G. LEONARD DALSTED, DIRECTOR, FARM OWNERSHIP LOAN DIVISION, FARMERS HOME ADMINISTRATION, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY JAMES LEE, FARM OWNERSHIP LOAN OFFICER; AND HOWARD V. CAMPBELL, OFFICE OF THE GENERAL COUNSEL, U.S. DEPARTMENT OF AGRICULTURE

Mr. Dalsted. Thank you, Mr. Chairman and members of the committee. I am happy to appear in support of this bill, H.R. 6244, which enables the Secretary of Agriculture to extend financial assistance to desertland entrymen. This bill amends Public Law 361, 81st Congress, which was approved October 19, 1949. The Department of Agriculture and the Department of the Interior established a memorandum of understanding between the two departments in 1950 concerning financial assistance to public land entrymen under Public Law 361. We plan to work very closely with the Bureau of Land Management in amending the 1950 memorandum to assure that reasonably sound loans can be made if this bill is enacted.

We recognize that there is a special risk involved in desertland entries because, even though the entryman obtains a water right, he has no assurance that water can be developed. Furthermore, the construction of a pumping system from surface or subsurface sources may be an undertaking that is too large or too expensive for an individual entryman or even for a group of entrymen. This in itself requires that we work closely with the Bureau of Land Management, which has had previous experience in the development of water in the desertland areas. It is our understanding from representatives of the Bureau of Land Management that in certain portions of Idaho and Nevada there is a possibility of a family farmer developing water at a reasonable cost. In portions of other States it is questionable whether an individual can obtain water at a reasonable cost. We further understand that in 1968 there were 99 desertland entries allowed in the continental United States. Of these 79 were in Idaho, 18 in Nevada, 1 in New Mexico, and 1 in Wyoming. There were 142 patents issued in 1968 involving 34,000 acres of land of which 27,000 were made in Idaho and Nevada. We do not expect a large volume of loans to be made under this bill, if enacted, but we do recognize that available credit is highly important to a small farmer if he is to be successful in developing his entry.

I have with me today Mr. James E. Lee, farm ownership loan officer, and Mr. Howard V. Campbell of the office of the general counsel. Together we shall be glad to endeavor to answer any questions, Mr. Chairman, that you or members of your committee wish to ask.

The Chairman. Could you give us some idea about how many homestead entries are being made in recent years?

Mr. Lee. In 1966, which is the latest figure we have, Mr. Chairman, there were 199 homestead entry applications.

The CHAIRMAN. And that compares to how many?

Mr. LEE. There were 79 desert entrymen during the same year.

The CHAIRMAN. What about the amount of land, would that be about the same?

Mr. LEE. I don't have a figure on that, I am sorry .

Most of the homestead entrymen now are in Alaska.

The CHAIRMAN. I see.

Mr. LEE. 186 of the 199 homestead entry applications in 1966 were in Alaska.

The CHAIRMAN. Homestead entry does not require any irrigation, if I understand.

Mr. DALSTED. That is correct.

The CHAIRMAN. Now, the desert entry does require that certain land be watered. How much land and how fast does it require that?

Mr. DALSTED. The entryman is required to have a water supply irrigating all the land under cultivation.

The CHAIRMAN. How much do you have to put under cultivation?

Mr. DALSTED. Pardon, sir?

The CHAIRMAN. How much do you have to put under cultivation?

Mr. DALSTED. One-eighth of the entry each year.

The CHAIRMAN. One-eighth. Is that required?

Mr. CAMPBELL. Yes, it is my understanding the law requires that one-eighth of the entry be put under cultivation each of the first 4 years.

The CHAIRMAN. You have to put one-eighth in each year. That would mean in the first 4 years you would have half of it in cultivation, half of it in water?

Mr. CAMPBELL. Yes, Mr. Chairman.

The CHAIRMAN. That is really more than the homesteader has to do, isn't it?

Mr. CAMPBELL. Yes, sir.

The CHAIRMAN. How much does the homesteader have to put in cultivation?

Mr. CAMPBELL. Well, he has to put land into cultivation at the same rate, one-eighth of the land for each of the first 5 years. Of course, if his entry is less, again he has less acreage to cultivate.

The CHAIRMAN. In other words, the homesteader has to put in——

Mr. LEE. Twenty acres.

The CHAIRMAN. Twenty acres?

Mr. LEE. In the 5 years, but he has to put in one-eighth of the 160, 20 acres a year.

The CHAIRMAN. One hundred acres in 5 years that he has to put in?

Mr. LEE. Yes, sir.

The CHAIRMAN. He has to build improvements?

Mr. LEE. A residence and essential buildings.

The CHAIRMAN. What?

Mr. LEE. A residence and essential buildings for his livestock.

The CHAIRMAN. He has to live on it for at least 3 years?

Mr. LEE. For 5 years.

The CHAIRMAN. For five?

Mr. LEE. Yes.

The CHAIRMAN. The desert entryman, does he get title for 4 years?

Mr. CAMPBELL. If he has developed the water, irrigation ditches and whatever pumping is necessary and has complied with the requirements of one-eighth of the cultivated land under water in each of the first 4 years, he may then apply for a patent.

The CHAIRMAN. And he may live anywhere?

Mr. CAMPBELL. Correct.

The CHAIRMAN. He doesn't even have to set foot on the land?

Mr. CAMPBELL. Yes, sir, he would have to be there himself or his agents would have to be there to do the cultivation.

The CHAIRMAN. I understand that. But I could be a desert entryman, is that right, and live in Waco, if I could employ somebody in Idaho?

Mr. CAMPBELL. I would prefer that the Secretary of the Interior determine your eligibility, but I think you could.

The CHAIRMAN. I am trying to find out whether this is really a proposition of taking care of new families, as we try to do in the Farmers Home Administration, or to help hobby farmers. It may be a speculation type deal.

Mr. CAMPBELL. If this bill were enacted, the entryman would have to be eligible for a Farmers Home Administration loan. Such loans would be available only to those who operate not larger than family farms, and agree to continue such operations. Those are loan requirements in addition to the desertland entryman requirements of the Secretary of the Interior.

The CHAIRMAN. What happens—that is something I am interested in—now, of course, I am not willing to become a desert entryman, I am too old for that. But we find that some young man like Mr. Easley, would want to go out and become a farmer, and he applies, and he goes out there and spends the summers, for 4 years, and he gets title to the land. You gave him a loan on it. You paid the cost of putting in that irrigation system. Tex sells it to me. What happens to your loan, does it mature?

Mr. CAMPBELL. There is a provision which the Consolidated Farmers Home Administration Act includes, and which is included in the mortgage, that consent by the Secretary is necessary to the sale of the property.

However, that provision does not automatically accelerate the loan if the borrower sells with or without the Secretary's consent. If he sells to someone who is eligible to continue the Farmers Home assistance by way of assumption of the indebtedness, then the Secretary normally consents to the sale so long as the benefit of the Government financing continues and is available to somebody who cannot get credit elsewhere and who would continue to operate that property as a family farm.

The CHAIRMAN. That is just a general law?

Mr. CAMPBELL. The same law would be applicable in this instance.

The CHAIRMAN. Mr. Goodling.

Mr. GOODLING. One of the greatest problems facing the Department of Agriculture is overproduction. I think everybody admits that. It is amazing to me that the Department would come up here this morning and advocate bringing more land into production. I am not aiming this at Nevada or Idaho, I am aiming this at the entire United States.

I happened to have been in the chairman's State several weeks ago, and I saw there unlimited capability or potential to increase production given some water. How could you justify the statement you made this morning in support of this bill?

Mr. DALSTED. Mr. Goodling, the Department of the Interior has made land available to homestead entrymen as well as desert entrymen, and it is up to the individual entryman to obtain financing he needs to place his land into production to secure a patent.

The purpose of this bill is to provide financial assistance to the desert entryman who cannot qualify for adequate credit from other sources. He would have a source of credit from the Farmers Home Administration so he could develop the water and cultivate the entry, the same as any entryman obtaining money elsewhere.

Mr. GOODLING. You must admit you have and you are going to bring more land into production and further complicate overproduction.

Mr. LEE. That is true to a degree, Mr. Goodling.

The problem of the desertland entryman is the availability of water. Out of 13 States which the law affects, there is activity, to any degree in only two. One is Wyoming and one is New Mexico. People in the Bureau of Land Management tell us that in California land cannot be developed under desert entry because a law passed in 1950 prohibits the appropriation of any more water. The same is true in Arizona. Our reason for supporting the bill is to eliminate the discrimination between the homestead entrymen and the desert entrymen, and to make it possible for the family farmer to have available credit so he can eke out a livelihood. At the present time, he is dependent upon people who extend credit at a high rate of interest, recognizing the high risk. The creditor often ends up acquiring the land through foreclosure action.

We anticipate that very little more land will be made available under this act. In fact, we financed only 15 or 20 of the 199 homestead entrymen. We financed only two or three homestead entrymen last year, and we anticipate we will need no additional loan funds for this purpose. Very few loans will be made.

Mr. GOODLING. My heart goes out to the family farmer because I happen to be one myself. What I am trying to point out is that the testimony, in my opinion, is very inconsistent. On the one side of the street you pay large sums to take land out of production and, on the other side of the street you spend additional money to put land in production. That is exactly what you are proposing here this morning.

Mr. LEE. You are correct. However, we are not proposing that a large amount of land be put into production. We think the desert land is rugged enough to try to make a living on that the entryman should have the same opportunity for credit as the man who lives anywhere else. We will control the crops as we have in the past. There is no difference. We have another law for that.

The CHAIRMAN. Mr. Goodling?

Mr. GOODLING. That is all.

The CHAIRMAN. When you say you control crops as in the past, how in the past have you controlled crops?

Mr. LEE. The Department of Agriculture has several programs designed to reduce the surplus of certain crops going to market but those controls are not administered by the Farmers Home Administration. The controls include price supports and acreage limitations.

The CHAIRMAN. I know that. But you are not controlling that when you increase. If you are increasing the production of wheat, you are not controlling as you have in the past, you are shifting it somewhere. If you have no more wheat here, you obviously have to take it away from someone else.

Mr. LEE. That is correct, but the man has to have an allotment before he could grow wheat or sugar beets. He would have to have a new grower's allotment.

The CHAIRMAN. That is right.

Mr. LEE. That would come out of the State-allotted acres.

The CHAIRMAN. That means less acres to distribute to everybody else. I mean, you just can't pick something out of nothing. You have to take it away from someone.

Mr. LEE. That is correct.

Mr. ALEXANDER. Mr. Lee, do I understand your testimony to mean that the production factor involved in extending credit to these people that would be eligible for credit under this amended title 7, is insignificant?

Mr. LEE. Yes.

Mr. ALEXANDER. Would you tell me, as a member of this committee, what elements of consideration that the Department has given in the question of production in reaching the conclusion that it is insignificant?

Mr. LEE. It is our informed opinion, after discussing with representatives of the Bureau of Land Management, a possibility of providing credit to individuals that very few people could qualify as desertland entrymen because they could not get water. The cost of the water would be too great. We anticipate making loans under this bill to not more than 15 entrymen. It would be less than 15 families next year. One-eighth of a 320-acre entry would be 40 acres or 80 acres if the wife and husband had 640 acres in their two entries. For the first few years the increase in production would be insignificant.

Later on, as the entryman developed more acreage, he would have higher production, but the role the Farmers Home Administration played in increasing new production would be very small.

Mr. ALEXANDER. Mr. Lee, what commodity would be most subject to production on land that would be open?

Mr. LEE. The gentleman ahead of us said that most of it would be potatoes in Idaho. That is true on any new land in Idaho, particularly. The families we work with in Idaho conduct diversified farming operations. They generally raise livestock also along with alfalfa hay and pasture.

Mr. ALEXANDER. Do you agree with the statement on potatoes?

Mr. LEE. I have no reason not to agree but I am not informed on the situation.

Mr. ALEXANDER. Would you say that cattle would be subject to most production?

Mr. LEE. Beef cattle, dairy cattle, and alfalfa would be likely types of production.

Mr. ALEXANDER. What is your approximation that this program would have on the cattle industry if it reached its fullest development in the next 10 years?

Mr. LEE. Relatively insignificant because most families cannot afford the investment and we do not have a large enough loan ceiling to make them the size of loans they would need.

Mr. ALEXANDER. Mr. Lee, has the Department made any projection to make this determination?

Mr. LEE. No, sir.

Mr. ALEXANDER. So, your statement a moment ago that the effect would be insignificant is based on conjecture and is not based on a full study of the situation, is that correct?

Mr. LEE. It is not based on an actual study. It is based on a full discussion of what we believe will happen based on our experience with contract purchases in the Columbia Basin, and in Idaho.

Mr. ALEXANDER. Was this discussion made within the Home Loan Division or did it extend to the full resources of the full Department?

Mr. LEE. In the Farmers Home Administration only.

Mr. ALEXANDER. In other words, your opinion was based on a discussion in the Farm Home Loan Department?

Mr. LEE. That is right, along with the discussion with representatives of the Bureau of Land Management.

Mr. ALEXANDER. Then your statement is not an official position based on reference to a study of the whole Department, is that correct?

Mr. LEE. That is correct.

Mr. ALEXANDER. I see.

The CHAIRMAN. Mr. Teague?

Mr. TEAGUE of California. I know very little about the Homestead Act or the Desert Land Act. Suppose a young man and his wife file on a section, how long does it take them to perfect their title to that property?

Mr. LEE. Four years, if he proceeds as anticipated by the limits of the law. We visualize that he could perfect his title within 6 months or a year with assistance from the Farmers Home Administration.

Mr. TEAGUE of California. Suppose after 2 years he does not make a go of it, he and his wife and family didn't have enough to eat, does the land come back to the Federal Government or does he have any available right that he can transfer to someone else?

Mr. LEE. A homestead entryman has transfer rights to eligible applicants through the Bureau of Land Management and the Farmers Home Administration, under the law and pursuant to the memorandum of understanding. Mr. Dalsted said we plan to amend if this bill is enacted. We have steps worked out whereby if an entryman is in default he can turn the entry back to the Bureau of Land Management. That agency has a year to sell it to an eligible applicant. After a year it can be turned over to the Farmers Home Administration to sell. If the bill is enacted the same would be true of a desert entry.

Mr. TEAGUE of California. But directly with your consent?

Mr. LEE. The Bureau of Land Management's consent, yes.

Mr. TEAGUE of California. What I am getting at, I assume there are probably persons in Idaho with money to invest that might buy this property, and finance irrigation from separate sources, and

thereby—this is intended as a partial answer to Mr. Goodling—so that perhaps you are under such a condition that the increase in production would take place regardless whether the original entryman went ahead and perfected his title or not?

Mr. LEE. That is correct.

The CHAIRMAN. May I inquire something after Mr. Teague. I have not understood, but I take it from what you have just said, that a desert entryman could actually get title as quick as he has the land under irrigation?

Mr. DALSTED. He can complete his development in 1 year or in a period less than the maximum of 4 years allowed.

The CHAIRMAN. So, if he actually develops half of the land within 1 year he can get title?

Mr. LEE. He must develop all of the irrigable land. Not all of the 320 acres would be irrigable. He is required to develop all of the irrigable land and he is required to have the ditches and canals constructed to put water on all irrigable acreage.

The CHAIRMAN. Suppose I go out and file, again I am not going to do it, but somebody does go out and file upon a section of land where there is more than 10 acres that can be irrigated. If he irrigated that, does he get the rest of the land, the other 630 acres?

Mr. DALSTED. Our answer is that he would get only the land that is irrigable, that he could develop.

The CHAIRMAN. You just said in almost any section there would be some that wouldn't be irrigable, and he never gets title to that, that is subject to irrigation?

Mr. LEE. If the portion of it is not irrigable and the Bureau of Land Management makes that determination, he gets title to the total portion of the land. He gets the irrigated land plus the other.

The CHAIRMAN. But they determine there is only 10 acres on this section that can be irrigated, and the man files on it. If he irrigates 5 acres of it, which is half of it, does he get a title for irrigating the 5 acres?

Mr. LEE. That is my layman's interpretation. We have an attorney here, Mr. Campbell.

Mr. CAMPBELL. Frankly, I do not know the answer. I can read the Code, 32 U.S.C. 421, and I can get an interpretation out of it that says he can get his patent only when he has developed all of the acres in his entry, but I can't answer you definitely today.

The CHAIRMAN. When you say a certain number of acres, it is not a certain number of acres set down in the statute, it is a percentage of the land, but whether it is a percentage of the whole section or whether it is a percentage of the land that is subject to irrigation is really the point in issue, I think.

Mr. CAMPBELL. That is right, and I will find out and submit this information to the committee.

(The information referred to above follows:)

Further study of applicable law and consultation with lawyers in the Department of the Interior permits me to inform the Committee that a desert land entryman must develop and apply water to all irrigable acreage in the entry. Prior to entry, the land is examined and the entry is allowed only if it is determined that the majority of the acres in each legal subdivision (as small as ten acres) can be irrigated if water is developed. The entry is then devised so that no significant amount of non-irrigable land is included in the entry.

Mr. TEAGUE of California. Mr. McClure would like to comment on that.

Mr. MCCLURE. Thank you, Mr. Teague. I am saying, no, that situation simply couldn't happen because they have to classify the land as suitable as desertland entry before they can file the entry. So, it would have to be predominantly irrigable land. Now, in that quarter section, or 40-acre tract, there might be a small portion which may be nonirrigable and which they would classify the whole 40 as subject to entry, but the Bureau of Land Management has control as to the entry, and unless it is usable they would not classify it.

The CHAIRMAN. That raises another question: Does the Department of Interior have any program for financing those who settle on their land?

Mr. LEE. No, sir. Not to my knowledge, sir.

The CHAIRMAN. They develop irrigation for the lands, I am just wondering if there is any logic—and I don't know if there is—would there be any logic in suggesting that the Department of Interior should finance the development of their lands?

Mr. LEE. Mr. Chairman, the Bureau of Reclamation levels land and gets it ready for cultivation on their projects. They have no financing for this on desertland entries. This is not a part of the reclamation project. It is up to the individual to get the water and to do all of the development. He has to obtain his own financing for this.

The Bureau of Reclamation reviewed our proposal and concurred with us. The financing for the individual at the present time on a homestead, or under a purchase contract on a reclamation project, is done under Public Law 361. The purpose of H.R. 6244 is to make it possible for the desertland entrymen to receive similar financing.

The CHAIRMAN. Any other questions?

Mr. TEAGUE of California. No.

Mr. ALEXANDER. No.

The CHAIRMAN. If not, we are very much obliged to you, gentlemen. Do you have anything further to say?

Mr. DALSTED. We thank you, Mr. Chairman, for giving us an opportunity to appear in support of this bill.

The CHAIRMAN. We are glad to have you and appreciate your comments.

We will adjourn now, and we appreciate all of you visitors, we are glad to have you.

(Whereupon, at 11:15 a.m., the subcommittee recessed, to reconvene in executive session.)

INDEMNIFY FARMERS FOR HAY CONTAMINATED WITH RESIDUES OF ECONOMIC POISONS

MONDAY, DECEMBER 8, 1969

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DEPARTMENTAL OPERATIONS
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 1302, Longworth House Office Building, the Honorable Eligio de la Garza (chairman of the subcommittee) presiding.

Present: Representatives de la Garza, Melcher, Kleppe, and Sebelius.

Also present: John A. Knebel, assistant counsel; and Martha S. Hannah, subcommittee clerk.

Mr. DE LA GARZA. The subcommittee will come to order.

We are met this morning to consider H.R. 6525 by Mr. Olsen of Montana.

(A copy of H.R. 6525 by Mr. Olsen, above-referred to, follows:)

[H.R. 6525, 91st Cong., first sess.]

A BILL To authorize the Secretary of Agriculture to indemnify farmers whose hay is contaminated with residues of economic poison

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to make indemnity payments to farmers whose hay is contaminated by residues of economic poisons. Payments may be made in amounts which the Secretary determines will indemnify farmers for the fair market value of hay which, at the direction of or in cooperation with an agency of the local, State, or Federal Government, is, after June 30, 1968, removed from the commercial market or destroyed or put to use other than as animal feed because it contains residues of economic poisons.

SEC. 2. No indemnity payment shall be made under this Act to any farmer whose hay is contaminated because of his failure to comply with the cautions, warnings, or directions appearing on the label of any economic poison which he has used.

SEC. 3. No indemnity payment shall be made under this Act on hay removed from the commercial market or destroyed or put to use other than as animal feed after .

SEC. 4. Thereis hereby authorized to be appropriated not more than to carry out the purposes of this Act.

Mr. DE LA GARZA. I would like to tell you Congressmen, and your witnesses, that the lack of members of the committee present is not lack of interest in your legislation, but rather the fact that most of the members of this subcommittee are also members of the cotton subcommittee, including myself, and we will be going from one room to the other, as both subcommittees are meeting at the same time.

I would like to call first Congressman Olsen, the author of the bill, for any presentation you might have, Congressman, and also if you would care to introduce your witnesses, or I can call them at the end of your presentation.

STATEMENT OF HON. ARNOLD OLSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA

Mr. OLSEN. Mr. Chairman, on my left I have Senator Paul Boylan, State senator from Montana, and from Gallatin County, Mont.; Arnold L. Braaten, a banker from our county; and Henry W. Alberda, who is one of the producers of hay and milk in his county, as is Senator Boylan.

They each have their own separate statements on the problem. I would only say a few words of history. I am aware, as you are, that one of the first bureaucratic errors made in this particular field was in the case of cranberries. And there was indemnification paid for losses.

Then the next one is milk, and now, of course, we are contending for losses in hay.

The fundamental thing is that, of course, if we expect the farmers of America to produce quality and quantities of food, of wholesome food, and we also advise them to use various chemicals in that production, that when we advise them to use the chemicals we have got to give them good advice, and I think we have got to indemnify them against any losses or they are not going to use the chemicals. And they are not going to then produce the quality and quantity food that we want.

So I think it is a good proposition for the American taxpayer that we give the producer the best kind of advice, and advice that he knows he can rely on and that if he suffers loss he will be paid for his loss.

That, at least, is the background of the indemnities paid in the case of the chemical residues in milk of such quantity that it cannot be sold on the market, justifying an indemnity. Well, it is just as great a loss to these people, these producers, just as great a loss that they lose their hay, or that they lose animals because of the advice they get on the use of chemicals. It is just as great a loss as when they lose their milk, or in the earlier case, when they lost cranberries.

Once again, I want to say we cannot expect the producer to use the advice of the Extension Service, the advice of the Government agencies, on the use of chemicals; if we are not going to indemnify them against loss that occurs because of taking that advice.

Now then, I will introduce the first witness, our State Senator, Paul Boylan.

Mr. DE LA GARZA. Senator, we will be very happy to hear from you.

STATEMENT OF HON. PAUL BOYLAN, MONTANA STATE SENATOR, BOZEMAN, MONT.

Mr. BOYLAN. Mr. Chairman and members of the committee, I want to thank you for the opportunity of presenting our support of H.R. 6525.

I have a copy of a booklet, a scrapbook here of newspaper clippings, that I would like for you to look over or scan over a little bit. It will

maybe kind of give you an idea of some of the adverse publicity that we have.

Mr. DE LA GARZA. All right.

Mr. BOYLAN. My name is Paul Boylan and I was born and raised in Bozeman, Mont., Gallatin County. My father was in the dairy business, starting out in 1910, and I have been in it most of my life. I received a degree in dairy production from Montana State University in 1942, and after returning from the service in 1947, have been dairying ever since. My herd consists of around 100 cows and I have my own plant and retail outlet on my farm.

Gallatin County is a fertile, irrigated valley surrounded by mountains and provides approximately one-third of the milk produced in the State of Montana. The reason for this concentration of dairying is the abundance of alfalfa roughage that is grown there. Eight or 9 years ago, the alfalfa weevil moved into our valley and was a constant threat to the production of good hay. They were controlled to a pretty good degree by use of recommended sprays, namely, dieldrin, heptachlor and eldrin.

In April 1967, the cooperative extension service of Montana State University at Bozeman issued a bulletin stating that these chemicals were no longer approved spray materials, but chlordane could be used, providing it was applied before the alfalfa had 2 inches of growth. So that is what we applied on the 1967 crop of hay.

In the fall of 1967, very small traces of heptachlori epoxide residue were found in some of the milk through tests run by the livestock sanitary board. They said there was nothing to worry about. In February of 1968, more testing was done and that was when the roof fell in. About 30 dairymen were restrained from selling milk and had to dump their product. Some did it for a month or more, some for less time.

Dairy cattle were restricted from sale for slaughter for 5 or 6 months. There was no information available to us as to how long it would affect future hay crops, how long the soils were likely to be contaminated, or anything else definite because so little was known at that time. Very little research had been done in those areas. The only recommendations were to get clean cows and feed clean hay, both of which were not readily available in the immediate area.

The great furor of publicity that this action aroused caused the public to be afraid to drink milk and caused a very noticeable drop in our sales. It was months before the milk outlets returned to normal, and in many cases, it still is not, and especially in my own little business it has not returned to normal.

Several dairymen dried up their own producing herds and bought cows from the States of Washington, Utah and in other counties of Montana. Hay was bought in Idaho and shipped in at great expense. Native hays, other than alfalfa, which had not been sprayed were used but these were not conducive to good milk production. There was no sale for contaminated hay and the authorities said the hay would be seized if it was shipped across the State or county lines.

There were varying degrees of losses due to the lack of information as to how long it would take to clear the cows up, even if they were fed clean hay. Individuals simply had to do as they thought best. Losses were incurred as follows:

1. Cost of purchasing replacement hay that had not been sprayed.
2. New cows that had to be purchased to replace driedup cows.

3. Cost of keeping cows and all dairy animals which were restrained from sale for slaughter.
4. Loss of business due to decreased milk consumption.
5. Increased interest charges due to increased debt load.
6. Increased cost of labor because of more animal units to care for and hauling of hay from greater distances.
7. Loss of animals condemned at slaughtering places because of high pesticide residues.
8. Increased death loss because of more animal units.
9. Cost of testing hay for amounts of residues.

I believe that Congressman Olsen's bill should be amended to cover other substantiated losses in addition to the hay, as they were a direct result of using chlordane spray on the hay.

CONCLUSION

It has already been established by the U.S. Government memorandum, dated March 29, 1968, that representatives of the Federal Government approved and recommended the use of chlordane on alfalfa which was to be fed to dairy cattle.

This memorandum substantiated the indemnity payment for milk. Likewise, it could be a precedent for the payment of other losses incurred. Through years of experience in farming and ranching, one learns to accept crop failures, drought, hailstorms, financial setbacks, depressed markets and other adversities. However, when an unforeseen calamity, such as this pesticide deal that we have been discussing occurs, it makes one wonder if it is worth it to try to hang on.

All this occurred just because we were trying to keep abreast of new knowledge and technology in raising food for the consuming public.

I want to thank you people for your kind attention, and it is my sincere hope that you will consider favorably this request for indemnity payments.

Do you people have any questions?

Mr. DE LA GARZA. Thank you very much, Senator. We appreciate your statement. Also, your time and effort in getting here from Montana.

I have one question, I do not know if you would have the information, but do you have any information as to how many acres were involved or how many people were involved? Was it all limited to this one county?

Mr. BRAATEN. Yes, we have that information.

My statement will bring forth most of that information Mr. Chairman.

Mr. OLSEN. Not only do we have that information, but the Department of Agriculture has it because the claims have been lodged at Bozeman, Mont., with the Department of Agriculture.

Mr. DE LA GARZA. We will get to them in due time.

Mr. OLSEN. Yes, but in any event, it is capable of being known. I think there was one place outside of that county and that would be in Lewistown, Mont., which was the only other place. But in any event, the Department of Agriculture has that information, as well as Mr. Braaten, who is our next witness.

Mr. DE LA GARZA. Do you have any questions, Mr. Kleppe?

Mr. KLEPPE. Mr. Chairman, I do not have any specific questions now.

But I wonder, are you going to stay in the hearing room, Mr. Boylan, until we hear from the other witnesses?

Mr. BOYLAN. You bet.

Mr. KLEPPE. If we have some questions later on, then maybe we can call you back.

Mr. BOYLAN. Thank you.

Mr. DE LA GARZA. Mr. Sebelius.

Mr. SEBELIUS. No questions.

Mr. DE LA GARZA. Thank you very much, Senator. We appreciate it.

Now we will hear from Mr. Braaten.

STATEMENT OF ARNOLD L. BRAATEN, BOZEMAN, MONT.

Mr. BRAATEN. Thank you, Mr. Chairman, and committee members for allowing me to appear before your committee in support of the bill before you.

My name is Arnold L. Braaten, a resident of Bozeman, Mont., the county seat of Gallatin County, State of Montana. My occupation is that of banking director and executive vice president of the First National Bank in Bozeman, the largest of the seven banking institutions in the county of Gallatin. Total assets of our institution were $31,231,000 on the last Comptroller of the Currency call date, October 21, 1969, this year.

Gallatin County consists of 1,626,000 acres of 2,517 square miles with approximately 1,077 square miles federally owned and 87 square miles State owned. Gallatin County is larger than either Rhode Island or Delaware. Its 1960 census population was 26,045, a density of 10.3 people per square mile. Its estimated population today is 29,500. Gallatin County alike to the State of Montana with a population only of approximately 750,000 is capital deficient—moneys come hard.

The economy of the county is primarily built upon income from agricultural sources. The agricultural operations consist of small grains production, wheat, barley, and oats, along with alfalfa hay, livestock, poultry, and dairying. The irrigated fertile Gallatin Valley produces higher quantities of alfalfa hay than in any other area in the State. Thus, dairying which provides a natural feed source for alfalfa hay has developed down through the years to where the county has some of the finest Holstein herds in the Nation, herds that it has taken a lifetime to build up.

There are 126 milk producers in Gallatin County, with 94 representing grade A milk producers, subject to the direct supervision of the State livestock sanitation board, with direct supervision occurring through the Public Health Service and the U.S. Food and Drug Administration. An average grade A producer's herd approximates 60 milking cows. Total dairy cows in the county therefore approximate 7,000 in number. Grade A milk production out of Gallatin County is estimated to be 19 percent of the State's total production.

Mr. Boylan indicated a figure of near 33 percent. I think that figure is probably more accurate, Paul, at about 20 percent.

The majority of these 94 grade A producers raise their own alfalfa hay for their main source of dairy feed. And it is in this area where a

number of these innocent producers were financially hurt by contaminated hay and milk.

The chemical spray chlordane used to control the alfalfa weevil caused a residue on the hay, which when ingested by animals is supposedly deposited in the fatty tissue of the animal. It then manifests itself in the milk supply. And if the milk supply did not test within the minimum working level of 0.3 parts per million, it was declared contaminated and not fit for public consumption.

Commencing in February 1968, until total quarantine lifting in August 1968, the milk supply over a period of time from 29 herds involving more than 1,500 cattle was restrained by health and sanitation authorities, as well as the animals being quarantined and restrained from being sold.

The affected dairy producers had to dump their milk. All hay supplies had to be tested at $22 per test in order to assure a clean hay feed supply, necessary in order to flush the contaminated residue from the animal as rapidly as possible. Clean tested hay had to be purchased and brought in. In most cases, the producer had no choice but to remove the contaminated hay from the commercial market or destroy it.

A number of the producers took on added debt to obtain clean hay with a number also purchasing a second herd of cows with no indemnity made for the financial loss incurred in maintaining a second herd. The debt load of one producer increased from $13,798 in October 1967, to $34,679 in November 1968, due to the purchase of clean cows. This particular situation was reported to me from our local production credit association.

Similar situations occurred not only in our institution but in three of the other banking institutions located in the county. In another instance, a producer restrained was prompted to go out of the business and suffered a significant loss on the sale of the cow herd and resultingly the dairy equipment.

The increased debt load which had to be taken on by the majority of the restrained producers has been subsequently aggravated by rising interest costs which have reached 40-year highs. The prime interest in April of 1968 was 6½ percent with the prime rate today being 8½ percent, representing a full 2 percent increase over this period of time.

The taking of biopsies of fat tissue from living animals was necessary in a number of the early cases to determine freeness of contaminated residue in the animal, which created added expense and inefficiency since arrangements had to be first made with the State sanitation board's laboratory or a deputy State veterinarian. The other means of testing the animal was through slaughter and laboratory inspection of animal fat. In one case alone, the producer's three slaughtered animals did not check free and clear and as such he sustained an approximate loss on this one occasion of $1,000.

To date, no indemnity has been paid for hay lost or for added costs and expenses involved in new hay acquisition, testing, contaminated animal death loss, and interest. As one dairyman noted:

The biggest problem was lost hay, caused by a pesticide problem not of their own making but one that was created by following the advice to spray with chlordane given out by the Cooperative Extension Service, Montana State Uni-

versity and by the Assistant State Entomologist, both officially recognized as representatives of the U.S. Department of Agriculture.

It is true, however, that the U.S. Department of Agriculture has approved milk indemnity payments as evidenced by USDA's memorandum letter under date of March 29, 1968, to the Montana ASCS State Committee, signed by Charles L. Frazier, the acting deputy administrator to State and county operations for the Agricultural Stabilization and Conservation Service.

These payments to date have amounted to $47,635, going to 28 out of the 29 producers restrained, with about $1,900 of this amount representing a claim payment for loss of cheese by a local county creamery.

Preliminary information to date from a number of Gallatin County producers as tabulated by the State ASCS office reveals the following losses other than for milk:

Hay, $128,634; cows, $49,523; interest, $2,944; testing, $1,096; and miscellaneous, $15,103; for a total of $197,300.

As previously mentioned, the dairymen and other hay farmers were only following the advice of official representatives of USDA when chlordane spray was used on the 1967 alfalfa crop. This advice was in the form of a notice put out by the Cooperative Extension Service—Montana State University, Bozeman, Mont., under date of April 11, 1967, entitled, "Alfalfa Weevil Control for Montana 1967."

This notice, which in the second paragraph says chlordane is acceptable for spraying under certain conditions, was circulated to Montana dairymen 3 years after the pesticide was removed from Federal listings. Nearly identical advice was issued by the assistant state entomologist, and the county extension agents in Gallatin County conducted local radio programs and sent out local news recommending chlordane for the control of alfalfa weevils.

I fully realize as an individual and as a banker that if some one individual or group of individuals does something ingenious, speculative, or wrong on their own from the standpoint of economic gain, they then stand to lose or gain economically by their decisions and actions. In this particular case, the dairymen and other farmers in our area who give attention to the crop control measures set forth by USDA and other regulatory agencies did so once again as they have done in the past.

One truly great principle of all Americans has been and still is that we as individuals stand responsible and liable for our actions. In this instance, it was not the innocent dairyman whose actions caused him to suffer a financial setback in his occupation but it definitely appears to have been due to the actions of others, those who in an official capacity recommended inset control measures for the dairyman's main feed source, alfalfa hay.

To keep faith with its people, it appears only proper and just that the Federal Government in this instance reimburse those dairymen not only for loss of hay but for other losses also sustained due to this chlordane contamination problem.

Thank you.

Mr. DE LA GARZA. Thank you very much, Mr. Braaten.

The rest of your statement will be included in the record, without objection, the charts that you have.

(The documents above referred to, follow:)

[From Bozeman Daily Chronical, Bozeman, Mont., Mar. 31, 1968]

DAIRY NOTES—COOPERATIVE EXTENSION SERVICE, MONTANA STATE UNIVERSITY, BOZEMAN, MONT., APRIL 11, 1967

ALFALFA WEEVIL CONTROL FOR MONTANA, 1967

What's new.—No real change has taken place since last year on chemical recommendations. A new idea for spraying the stubble beneath the windrow at cutting time has been projected. It is simply a unit which sprays a recommended insecticide on the ground where the hay will lie during the curing process. It is an attachment made for a windrowing machine utilizing a weed sprayer and just enough nozzles to cover the width of the windrow.

Adult control.—Heptachlor, Dieldrin and Aldrin can no longer be used for early spring treatment of adult weevil in alfalfa. These insecticides are definitely out—do not use them. Chlordane may be used providing it is applied before the alfalfa has two inches of growth. Do not use as a foliage spray. It takes two pounds per acre,—no less. Use liquid,—granular will not give control. Do not apply too early since Chlordane's killing power is probably not beyond two, or at the most, three weeks and the adult weevil should have several warm afternoons during this period to become active so they will make contact with Chlordane.

(Proof of Mistake: This notice which, in the second paragraph says chlordane is acceptable for spraying under certain conditions, was circulated to Montana dairymen three years after the pesticide was removed from federal listings. State and county officials have accepted the blame for failing to inform dairymen before testing with a super sensitive machine was started at Montana State University.)

U.S. GOVERNMENT MEMORANDUM, MARCH 29, 1968

To: Chairman, Montana ASC State Committee.
From: Acting Deputy Administrator, State and County Operations.
Subject: Applications for milk indemnity payments—Jake Brouwer, James McReynolds and Harold Moss, Gallatin County.

The milk produced by the subject applicants was removed from the commercial market by the Montana Livestock Sanitary Board because of chlordane residue in the milk. From the information available, it appears that the contamination resulted from the feeding of alfalfa hay that contained chlordane residues.

At the time their milk was removed from the commercial market, the applicants were feeding hay grown on their own farms. Analyses of samples of such hay collected at about the time the milk was removed from the market disclosed that the hay contained residues of chlordane. The applicants have submitted evidence indicating that in the spring of 1967 chlordane was applied to the alfalfa stubble when the new growth was about 2 inches in height.

Eligibility of the applicants for milk indemnity payments turns primarily upon the question of whether or not chlordane was, in the words of the statute authorizing the present program, 81 Stat. 231, "registered and approved for use by the Federal Government at the time of such use". The regulations governing the program, 33 F.R. 2497, contain provisions designed to effectuate this statutory language.

The chemical chlordane was, as of the spring of 1967, registered with the Secretary under the provisions of the Federal Insecticide Fungicide and Rodenticide Act, as amended (7 U.S.C. 135–135k), for use on alfalfa. A publication of the Agricultural Research Service (the agency of this Department which administers such Act) entitled "Summary of Registered Agricultural Pesticide Chemical Uses," which is a compilation of all registered agricultural pesticides, stated the dosage of chlordane for use on alalfa as two pounds per acre with the limitation "do not feed treated forage to dairy animals. . . ." In this conection, the label of one of the chemicals used in Montana called "Chlordane 8–E," which was manufactured by the Stauffer Chemical Co. and registered with the Secretary (USDA Reg. No. 476–875), contained the following statement under the heading "Recommendations—Foliage Treatment":

> Alfalfa Weevil Control: Investigations indicate effective control of the adult weevils when chlordane is applied before the eggs are deposited. Make

application in the spring when the alfalfa is coming out of the ground and is about 1 to 1½ inches tall. Apply 1½–2 pt. in 100 gal. water per acre. Do not apply during blooming period. Do not feed treated forage to dairy animals or animals being finished for slaughter.

There remains for consideration, therefore, whether chlordane was, as provided by the milk indemnity statute, "approved for use by the Federal Government at the time of such use". The information submitted by the Montana ASC State Committee discloses that the Cooperative Extension Service, Montana State University, early in 1967, approved the use of chlordane on alfalfa. For example, that Service, by Earl J. Peace, Extension Dairy Specialist, issued a publication entitled "Alfalfa Weevil Control for Montana—1967." That publication, under the large heading "*Dairy* Notes" (emphasis supplied), contains the following statement:

> Adult control: Heptachlor, Dieldrin and Aldrin can no longer be used for early spring treatment of adult weevil in alfalfa. These insecticides are definitely out,—do not use them. Chlordane may be used providing it is applied before the alfalfa has two inches of growth. Do not use as a foliage spray. It takes two pounds per acre,—no less. Use liquid,—granular will not give control. Do not apply too early since Chlordane's killing power is probably not beyond two, or at the most, three weeks and the adult weevil should have several warm afternoons during this period to become active so they will make contact with Chlordane.

Nearly identical advice was issued by the Assistant State Entomologist. The county extension agents in Gallatin County, Montana, conducted local radio programs and sent out local news releases early in the spring of 1967 recommending the use of chlordane for the control of alfalfa weevils. The instructions furnished by the extension agents through these media were substantially the same as those published by the Cooperative Extension Service and the Assistant State Entomologist. The evidence submitted by the applicants shows that the chlordane was applied in accordance with these instructions.

The Memorandum of Understanding between Montana State University and this Department on cooperative extension work in agriculture provides, in section III(b):

> That all State and county personnel appointed by the Department as cooperative agents for extension work in agriculture and home economics in the State of Montana shall be joint representatives of Montana State College and the United States Department of Agriculture, unless otherwise expressly provided in the project agreement. Such personnel shall be deemed governed by the requirements of Federal Civil Service Rule No. IV relating to political activity.

We have been informed that the county extension agents referred to above were appointed by the Department as cooperative agents for extension work in agriculture. Inasmuch as these agents appear to be representatives of this Department who provided in their official capacities, the instructions which we have discussed, we believe that such instructions may reasonably be held to constitute, for purposes of the milk indemnity program, approval of the Federal Government of this use of chlordane. While there may be some question as to whether or not the advice provided by the extension agents was fully consistent with the instructions on the label of the chemical which are set forth above, there would seem to be no question but that these representatives of the Federal Government approved and recommended the use of chlordane on alfalfa which was to be fed to dairy cattle.

Further, the facts here are strikingly similar to those which resulted in the original milk indemnity statute in 1964. At that time dairy farmers had applied certain chemicals, particularly heptachlor and dieldrin, to their alfalfa to combat weevils. These chemicals contaminated the alfalfa, and in due course, the milk produced by these farmers. The milk was thereupon ordered removed from the market. The chemicals used had been registered with the Secretary and approved for such use by this Department. Thus, relief of the applicants here would seem entirely consistent with the purpose of the remedial legislation enacted by Congress.

In view of the circumstances discussed above, the subject applications are approved for payment subject to a determination by the County Committee that all

other requirements of the program regulations have been met, including the requirement that the applicants take reasonable steps to eliminate the pesticide residues from their milk as soon as possible.

Attached are Forms ASCS–377 showing a suggested maner of computing the payments. Please note that the normal marketings were based on the comparison of production during November–December 1967 and January 1968 to production during December 1966 and January–February 1967.

In making the comparison of production the month of November 1966 should have been used instead of February 1967. You should obtain the production data for November 1966 and make this correction before approving the payment. Also attached are Forms ASCS–373 and ASCS–374 submitted with your memorandums.

If there are any other claims for milk indemnity payments arising from the use of chlordane, they should be submitted to this office accompanied by complete documentation of the case including the steps being taken to eliminate the pesticide from the milk.

CHARLES L. FRAZIER.

	Hay sold	Replacement hay	Cows	Interest	Testing	Miscellaneous
Alberda, B	1,100	250	1,125 540	350	18	[1]600
Alberda, C	675					
Alberda, H	4,950		8,575		140	[1]3,455
Alberda, J	2,348			129	22	
Alberda, P	2,820	1,870	280 600	845	44	[1]900
Anderson, P	1,575					
Boylan, Paul	7,312		4,500		160	[1]912
Brower, J	1,140		700		62	[1]120
Cole, Garrett	600	2,760		25	88	[1]375
Dyk, P	4,000					
Flikkema, D	8,295					
Flikkema, Dick, Sr	3,200	1,840			16	
Hunsaker Bros	25,000					
Huttinga, J	2,775				66	
Jacobs, H	1,800				22	
Kimm, A	2,040		4,100	150	64	240
Kimm, P	2,000	945	210			
Kraft, E	2,200					
	[2](4,000)					
Kraft, J	[2](3,000)					
	1,100					
Leep, A	2,313			153	22	
Moore, T. S., and L. Westlake	240				66	
Moos, H	660	350	960			
			4,740	768	102	[1]192
Ott	3,300			187	66	[3]339
Oyler, L	500		8,250			[4]2,500
Sanders, C	3,000					
Scollard, A	650	5,229	5,352	337	22	[5]372
						400
						[1]304
Siebenga, H	1,740		1,200			
Tachert, G	3,375					
Triemstra, H	1,300	1,485	360 294		54	144
Vanderhook, C	720				22	
Van Dyke, N	1,090	560	1,400			[1]1,050
	980		1,850			
Van Dyken, J	1,710	7,345	2,500			[1]1,800
Van Dyken, R	1,050					[3]600
Yaden, C	1,362	80	1,987		40	800
Total	105,920	22,714	49,523	2,944	1,074 +22	15,103
Total					1,096	

[1] Board cows.
[2] Estimated value of 1968 crop hay either testing "hot" or cut from ground sprayed in 1967.
[3] Spraying.
[4] Equipment sold.
[5] Testing and trucking.

Mr. OLSEN. Now, Mr. Chairman, our last witness is Henry W. Alberda.

Mr. DE LA GARZA. Congressman, let us get some questions that some of the members might have out of the way so we do not have to come back to Mr. Braaten.

Mr. Kleppe.

Mr. KLEPPE. Thank you, Mr. Chairman.

Mr. Braaten, I guess I understand pretty clearly from your statement that you testify and believe explicitly that the instructions given by the USDA through its various agencies has been particularly responsible for this loss that has occurred in Gallatin County.

Mr. BRAATEN. Yes, and it would appear that would be substantiated by this correspondence, the USDA memorandum attached to my written statement in behalf of——

Mr. KLEPPE. The reason I ask you this question—we had a report from the Department indicating that they do have control, of course, of these materials as they move from State to State, and they have indicated in a letter that the chairman of the committee has received that they have no evidence that where the products are used in accordance with instructions they would cause the damage that has been indicated in your testimony and in Mr. Boylan's testimony.

The reason for my question is, I guess, can we get some real proof of the fact that this did happen. I mean, I gather your testimony is pretty explicit, you say it did happen that way.

Mr. BRAATEN. Yes. You probably have not had a chance to review that letter from USDA.

Mr. KLEPPE. No, I have not. Is this attached to your statement?

Mr. BRAATEN. Yes. I think you will find the response to your question in that document. It appears quite explicit therein.

Mr. KLEPPE. Is this the memorandum you are referring to that is attached to your testimony?

Mr. BRAATEN. Yes, under date of March 29.

Mr. KLEPPE. I will cease asking questions because it is not fair, I do not think, until I have read this and looked it over.

Mr. OLSEN. Could I add this, Mr. Kleppe, the memorandum is the admission of the Department of Agriculture——

Mr. KLEPPE. It is, you say?

Mr. OLSEN. Yes, they have paid indemnity for the milk that was contaminated and we are talking now about the justification that should extend to hay and to animals and to other losses. But the fact of the USDA's responsibility is in that memorandum because they do authorize indemnity for the loss of milk.

Mr. KLEPPE. Do I understand the figures you had in your testimony, Mr. Braaten, are indicative of those applying to Gallatin County?

Mr. BRAATEN. Yes, they apply strictly to Gallatin County where the problem was fixed, other than for one or two other producers from another area of the State.

By the way, these are preliminary—those figures are preliminary—it is not to say that all of the figures are in.

Mr. KLEPPE. How far reaching is this? The chairman asked this a moment ago. But do you know how far reaching this particular problem is?

Mr. BRAATEN. It is confined primarily to Gallatin County, with these 29 producers who were restrained, bearing in mind there could be some hay farmers, strictly hay farmers, as a cash crop, who could be involved here or more than likely will be involved here.

Mr. KLEPPE. May I ask Congressman Olsen a question while we are at it here.

Is there any reason why you did not put in an amount in your bill? Were you waiting for an itemization at the time you introduced the bill?

Mr. OLSEN. Yes, sir. I just could not put an amount in, and we will have to do that by amendment.

Mr. KLEPPE. I see.

Thank you, Mr. Chairman.

Mr. DE LA GARZA. Mr. Sebelius.

Mr. SEBELIUS. No questions.

Mr. DE LA GARZA. Thank you very much. Mr. Braaten.

Now, we will be happy to hear from your next witness.

Mr. OLSEN. Mr. Alberda.

STATEMENT OF HENRY W. ALBERDA, PRESIDENT, SOUTHERN MONTANA MILK PRODUCERS ASSOCIATION, BOZEMAN, MONT.

Mr. ALBERDA. Thank you.

Mr. Chairman and members of the committee, my name is Henry Alberda. I am a grain and dairy farmer of Gallatin County. I am one of the 30 dairy farmers who is confronted with this problem stated here. This statement I have here is a typical case.

Now, I have not got my speech all written out in word for word—but this is what it cost me——

Mr. DE LA GARZA. That is fine. You just go ahead.

Mr. KLEPPE. That is the best kind.

Mr. ALBERDA. Just like I am talking at home. OK.

Mr. DE LA GARZA. Perfectly all right.

Mr. ALBERDA. I had a loss of my hay that I could not sell, of hay that I could not feed, and it sat over there for practically 2 years. I had to sell that hay at a big loss. Finally, this thing cleared up a little bit where we could get rid of it.

First we were told to burn it, but I did not burn it, I just left it set. That caused me to buy $14,405 worth of new hay because I also plowed up my hay crop because I was told that more than likely if this chlordane stayed in the ground it would contaminate the hay crop of the next year. So that is what I did; I plowed my hay up and bought new hay.

Mr. KLEPPE. Is all of your hay tame hay?

Mr. ALBERDA. It is alfalfa hay.

Let me state here why this problem happened, maybe, in Gallatin County alone. Gallatin County raises a lot of alfalfa hay, more hay than any area anyplace in Montana. And that is why, I think, this probably happened particularly in Gallatin County.

Then when this happened, I was milking these cows and the first report I got back on my milk, the test, they said it went off the chart. It did not sound very good. A dairy distributor told me you had just as well get rid of those cows and get new cows. I went to the college and asked them up there what I should do and they tried to figure it out on paper how long this was going to take for this to clear up. And they said, too, get rid of your cows and get new cows, get clean cows, if you can.

So that is what I did. And that transaction cost me approximately $11,000 by the time I got my old cows sold, which I had to keep on the place for 6 months before I could sell them, because this milk was contaminated. That amounted to around $11,000, as I said, and then there was some testing that I did on these cattle before I could get them sold. We had to have these fat biopsies taken, and hay testing, milk testing, which amounted to another $140 to $150.

The total deal cost me approximately some $27,000 to $30,000.

In the meantime, this is the kind of thing it did to me, it just about broke me. In my case here, my own relationship with my bank, where I had done business for better than 30 years, became strained. My banker informed me that my line of credit, my loans outstanding, had been classified by examiners for nonperformance. The result was that I recently sought another bank and I am now doing business with that institution.

Thank you for your consideration.

Mr. DE LA GARZA. Thank you very much, Mr. Alberda.

Let me see if we can reenact what happened here. About how many acres of hay had you been planting a year?

Mr. ALBERDA. I have approximately 200 acres of hay a year.

Mr. DE LA GARZA. What have you been using, what pesticide?

Mr. ALBERDA. At first I did not use anything, I said those weevils could not eat up all of those alfalfa, but it took me about 1 year to find out they could. I started using dieldrin. That was the first thing we could do was use dieldrin. Then we were told not to use dieldrin any more and I quit using it. Then we started using chlordane and I did it on the advice of what was given to me, all of the commercial sprayers that were spraying for the farmers. I did my own spraying, but all of these commercial sprayers were using chlordane and that was the thing to do, until we found out that chlordane or the heptachlori epoxide was showing up in the milk and then we were told not to use it.

Mr. DE LA GARZA. Well now, let us get it down more definite. While you say all the commercial sprayers were talking about using it, you did your own spraying. Now, did you receive anything from the county agent or from the Department of Agriculture in the mail?

Mr. ALBERDA. Yes, we did, after we had sprayed.

Mr. DE LA GARZA. Not before?

Mr. ALBERDA. No, I did not.

Mr. DE LA GARZA. I am not acquainted with your area, I do not know how you contract the spraying. Do you call on the telephone, or do they come by, or do they have a certain arrangement, or just how?

I know you did your own, but if somebody else had a commercial sprayer, how do you arrange for that ordinarily?

Mr. ALBERDA. I would imagine they either come around and ask if you have spraying to be done or else you would call them up.

Mr. DE LA GARZA. Did anyone come around to see you, asking to spray your acreage?

Mr. ALBERDA. No, they did not.

Mr. DE LA GARZA. Did you hear on the radio that everyone was switching to chlordane, or——

Mr. ALBERDA. Yes, I did. That was where I really got my go ahead to spray with chlordane, on the radio. I would say that one spring, the county agent has a program every morning and that would be what he talked about every morning for probably 2 or 3 weeks—use chlordane for alfalfa weevil.

Mr. DE LA GARZA. Did you consider using anything else when they told you you could not use dieldrin?

Mr. ALBERDA. No, I did not.

Mr. DE LA GARZA. It seems a little odd that everyone would just automatically from one day to the other, every farmer in that county just started using chlordane.

Mr. OLSEN. If I may respond to that——

Mr. DE LA GARZA. This is what I am trying to get at.

Mr. OLSEN. Mr. Chairman, responding to that, it is the memorandum that was issued on April 11, 1967, and that memorandum appeared in dairy notes of the Bozeman Daily Chronicle. That was as a result of the Montana ASC State committee, and it is also recognized in the Department of Agriculture memorandum of a year later, March of 1968, but in any event, let me read from that. "Alfalfa weevil control for Montana—1967."

And it is in the notes before you, but I am just going to read from the middle of that memorandum that appeared in the dairy notes of the Bozeman Daily Chronicle.

"Heptachlor, Dieldrin, and Aldrin can no longer be used for early spring treatment of adult weevil in alfalfa. These insecticides are definitely out—do not use them. Chlordane may be used provided it is applied before the alfalfa has 2 inches of growth. Do not use as a foilage spray."

I will not read the rest of it, but that is the advice that went out to that valley. And then in this memorandum of the Department of Agriculture a year later, they reviewed these facts, and on the basis of those

facts they paid indemnity for the loss of milk which, of course, they are authorized to do by law.

We are contending that on the same facts the indemnity should be extended to other losses which have been enumerated.

Mr. DE LA GARZA. Mr. Kleppe.

Mr. KLEPPE. I have no questions.

Mr. DE LA GARZA. Mr. Sebelius.

Mr. SEBELIUS. No questions.

Mr. DE LA GARZA. Thank you very much, Mr. Olsen, and thank you, Senator,——

(The chart submitted by Mr. Alberda, above-mentioned, follows:)

SURVEY OF LOSSES

NAME Henry W. Alberda

ADDRESS Manhattan

A. CONTAMINATED HAY

1. 1967 Crop on Hand 225 tons $ 22.00 = $ 4,950

2. 1967 Crop Sold at Loss ______ tons $ ______ = $ ______

3. Capitalize ... 225 tons x $12 = $2700 (See 1967 crop ... at $12/ton)

B. REPLACEMENT HAY

300 tons purchased at price of $27 $14,448

$ ______. ~~Less~~ 535 tons @ $ 30 = $ 16,075

C. LOSSES ON CATTLE

1. ______ head sold at loss of $ ______ ea. = $ 8,595

2. 51 head purchased at cost of

$ ______ ($ ______ over normal) = $ ______

3. 47 head unproductive cows held 2 (days, months) on feed.

Feed $1350

Loss = 47 (No. Cows) X ______ (Days) X Pasture (Daily Cost) = $ 735

$2,085

4. OTHER EXPENSES

1. Interest loss due to restrainment (borrowed money during time o. no milk/hay income) $ $2,400

2. Testing expense (hay, milk,) $ Hay 3 ai — $110 / Milk 1 — 30 = 140 $140

3. _____

_____

Cows Bought
34 cows @ $400 = $13,600
15 " @ 348 = 5,220
2 " @ 400 = 800
} $19,620

Cows Sold
490 cows at $225 = $11,025

Loss $19,620 − $11,025 = $8,595

Mr. Olsen. We would like to stay around because we would like to respond to the Department of Agriculture.

Mr. de la Garza. You are welcome to hear the rest of the hearing. Mr. Braaten and Mr. Alberda, we appreciate your being here.

The next witness will be Mr. Reed Phillips, director, Commodity Programs Division, ASCS, USDA; and he has with him Mr. Iverson, assistant deputy administrator, regulatory and control programs.

Mr. Phillips, without objection of the committee, I will insert in the record at this time the recommendations to the committee on this bill, which is the letter addressed to Chairman Poage, and we will be very happy to hear from you now.

(The letter above-referred to, follows:)

Department of Agriculture,
Office of the Secretary,
Washington, August 27, 1969.

Hon. W. R. Poage,
Chairman, Committee on Agriculture,
House of Representatives.

Dear Mr. Chairman: This replies to your request for a report on H.R. 6525, a bill "to indemify farmers whose hay is contaminated with residues of economic poisons."

The Department recommends against enactment of this bill.

The bill would:

(a) Authorize indemnity payments to farmers whose hay is contaminated by residues of economic poisons. Payments would be made in amounts which will indemnify farmers for the fair market value of hay removed from the commercial market, destroyed, or put to use other than as animal feed after June 30, 1968.

(b) Not authorize indemnity payments to any farmer whose hay is contaminated because of his failure to comply with the cautions, warnings, or directions appearing on the label of any economic poison which he has used.

(c) Authorize the appropriation of funds to carry out the purpose of this Act.

(d) Provide a termination date for this authority.

This Department is responsible for administering the Federal Insecticide, Fungicide, and Rodenticide Act, as amended. The Act regulates the interstate shipment of economic poisons for the control of pests such as insects, weeds, fungi, bacteria, rodents, etc., and products used to regulate the growth of plants and to defoliate or induce drying of plants. The Act (a) requires registration of economic poisons prior to marketing in interstate commerce, (b) sets forth labeling requirements, (c) requires any amendment of labels to be acceptable prior to shipment, (d) authorizes the collection and examination of samples from interstate shipments, imports, and exports to determine compliance, and (e) provides for seizure authority and for penalties for violations. Under the Act, a product is misbranded and subject to seizure if its labeling does not contain warnings or precautionary statements deemed necessary to prevent injury to humans, vertebrate animals, useful invertebrate animals, and useful vegetation.

We have no evidence to indicate that the currently registered uses of pesticides on hay would result in illegal residues when directions and limitations on the label are carefully followed. When hay is found to be contaminated, it is usually the result of failure to use a particular pesticide product according to directions on the label. While labeling is used to the maximum extent possible, this Department cannot regulate the actions by growers, producers, spray operators and others in the field application and other uses of pesticides. This Department should not be held responsible for losses resulting from the use of pesticides by persons over whom we have no control.

There have been instances when damages have occurred allegedly from the drift associated with the use of pesticides. According to our information, there are approximately 40 States which require applicators of pesticides in both aerial and ground spray operations to have insurance, a surety bond, or both. The specific provisions and maximum amount of coverage varies with each State. It is possible that State laws may provide a means for compensation to farmers for losses resulting from hay contamination.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

CLARENCE D. PALMBY,
Assistant Secretary.

STATEMENT OF REED PHILLIPS, DIRECTOR, COMMODITY PROGRAMS DIVISION, ASCS, USDA; ACCOMPANIED BY LEO G. K. IVERSON, ASSISTANT DEPUTY ADMINISTRATOR, REGULATORY AND CONTROL PROGRAMS, ARS, USDA; ROBERT M. COOK, ASCS, USDA, DAIRY PROGRAM SPECIALIST; AND ROBERT LOWERRE, OFFICE OF THE GENERAL COUNSEL, USDA; AND KENNETH C. WALKER, ARS, OFFICE OF ADMINISTRATOR, ASSISTANT TO THE DEPUTY ADMINISTRATOR, FARM RESEARCH

Mr. PHILLIPS. Thank you, Mr. Chairman and members of the committee. I am glad to appear before your committee on behalf of the U.S. Department of Agriculture to discuss the Department's recommendations on H.R. 6525.

I am Reed Phillips, Director of the Commodity Programs Division, Agricultural Stabilization and Conservation Service. With me are

representatives, in addition to Mr. Iverson, representatives of the Agricultural Research Service, the Office of the General Counsel, and one of my colleagues in the Agriculture Stabilization and Conservation Service.

We shall be very glad to provide the committee with information pertaining to the Department's position with regard to the indemnity payment problem as it relates to H.R. 6525 and to try to answer any questions you might have relating to it.

The Department has provided the committee with a report on H.R. 6525, to which you just referred, which proposes to indemnify farmers whose hay is contaminated with residue of economic poisons. This report recommends against enactment of this bill. The Department has considered that it should not be held responsible for losses resulting from the use of pesticides by persons beyond our control.

The Department of Agriculture is responsible for administering the Federal Insecticide, Fungicide, and Rodenticide Act. This act regulates the interstate shipment of economic poisons for the control of insects, weeds, fungi, bacteria, rodents, et cetera, and products used to regulate the growth of plants.

The act provides for regulation of economic poisons prior to marketing in interstate commerce. It sets forth labeling requirements, and requires any amendment to labeling to be acceptable prior to shipment.

Under the act, a product is misbranded and is subject to seizure if its label does not contain warnings deemed necessary to prevent injury to humans, vertebrate animals useful invertebrate animals, and useful vegetation.

Our legislative report on H.R. 6525 noted that we have no evidence that the currently registered uses of pesticides on hay crops result in illegal residues when directions and limitations on the label are carefully followed.

We emphasize that Government cannot regulate the actions of growers in the application or other uses of pesticides, nor is it possible to control weather and other environmental conditions that can affect the results of the application or use of economic poisons. Therefore, we feel that the Government should not be held responsible for damages resulting from the use of pesticides under conditions over which we have no control.

It is our belief that, in any instance when agricultural products are found with illegal residues of economic poisons following registered and recommended use, those damaged should be satisfied by means other than through general legislation, for example, through private relief bills rather than through legislation such as provided in H.R. 6525.

Perhaps a brief discussion of the Federal Insecticide, Fungicide, and Rodenticide Act will be helpful in considering H.R. 6525. The act was approved on June 25, 1947.

The provisions of the act require:

1. Registration of economic poisons before they may be moved in interstate commerce.

2. Adequate labeling of containers including directions for use and proper warning or caution statements.

3. Amendments to labels be approved by the Department prior to use.

In addition, the act authorizes the Department to:

1. Collect and examine samples from interstate shipments, imports, and exports to determine compliance.

2. Seize products in violation of the act and institute proceedings for criminal action, if necessary, against the shipper.

The provisions of the Federal Insecticide, Fungicide, and Rodenticide Act provides effective control over the interstate shipment of pesticides, and protects the farmer and others against unwarranted claims of pest control, against hazardous materials, and against unsafe or unwise directions for use.

The Food, Drug, and Cosmetic Act, administered by the Department of Health, Education, and Welfare, provides for the establishment of permitted levels of pesticides on or in raw agricultural commodities where such permitted levels or tolerances are required. Where a suggested pesticide use pattern is such that residues of the pesticide or its metabolites will remain on the commodity treated, the Department of Agriculture will not grant a registration until a tolerance is established by the Food and Drug Administration of the Department of Health, Education, and Welfare.

As I indicated, adequate directions for use and the necessary caution and reservations are required as part of the label appearing on the pesticide container before the Department will grant a registration. This requirement has had a profound impact on the usage of pesticides and has, in general, resulted in the proper and safe usage of these materials.

However, the Department recognizes that it cannot regulate all the actions of the producers, formulators, distributors, and users of pesticides by means of requiring proper labeling. The Department is currently reviewing labels and uses to strengthen their effectiveness, and their ready understanding by users.

Within the Department, we have a well organized and coordinated program of information and education to bring the message of safe and effective use of pesticides to all who come in contact with pesticides, from the original producer to the final user. All forms of communication are utilized. We believe these programs are quite effective.

Subsequent to the submission of the Department's legislative report on H.R. 6525, the author of the bill, Congressman Olsen, requested the Department to reconsider its recommendation. This we have done but we do not find a justification for changing our position.

We assure the committee that the Department's recommendation against the enactment of H.R. 6525 is by no means evidence of a lack of concern or interest in this problem. We will continue actions to restrict the use of pesticides, where such actions are warranted. We believe that such actions will continue to reduce drastically the opportunity for a recurrence of the situations that prompted the proposal under H.R. 6525.

Mr. Chairman, that concludes my statement.

Mr. DE LA GARZA. Thank you very much, Mr. Phillips.

Let me ask you, sir: You state in your statement, if I understand it correctly, that you object to this as general legislation but you would not object to it if it were by special or private bill individually, each one affected.

Mr. PHILLIPS. Yes, sir. The fact of general legislation brings in everyone in more or less complicated or simple situations. Everyone looks to Government as being the horn of plenty.

Mr. DE LA GARZA. The Great White Father.

I do not think we can use that any more—the Great Father.

Mr. PHILLIPS. Where there are unusual situations, where Government is clearly and plainly at fault, we feel that in those few instances that private bills can serve to satisfy damages.

And I repeat, where Government is clearly at fault. But general legislation which permits indemnity payments generally, and broadly, we feel is inappropriate, it can open up a Pandora's box of claims to the Government.

Mr. DE LA GARZA. Let me ask you further, apparently someone in Montana gave the advice that they should use this chlordane. It was someone of the extension service, I guess.

Mr. PHILLIPS. Sir, the "dairy notes" to which they refer was actually an article written by a Mr. Ray Pratt, assistant State entomologist in Montana State University. And it was merely printed by the extension dairy specialist.

Mr. DE LA GARZA. There was testimony from one of the three gentlemen that preceded you that chlordane had been taken off the approved pesticides sometime before? Are you acquainted with that fact?

Mr. PHILLIPS. Perhaps Mr. Iverson can clarify that.

Mr. IVERSON. Mr. Chairman, I am Leo Iverson.

Chlordane remained as one of the registered uses for alfalfa weevil control until May 11, 1968. At that time, it was removed or canceled for lack of tolerances. This resulted from action taken by the Department following the advice of a National Academy of Science report, which pointed out that registrations on the basis of zero or no tolerance were impractical and unenforceable.

So following that advice, the Department then canceled the chlordane use for lack of a tolerance.

Mr. DE LA GARZA. This was after the incident in Montana, is that correct?

Mr. IVERSON. Yes, it was. As I understand it, the material was applied in the spring of 1967.

Mr. DE LA GARZA. Right. Thank you very much, Mr. Iverson.

Mr. Phillips, you state also that the Department does not feel responsible if the directions on the labels are not used.

Let me see what part of your statement that is—on page 2—"We have no evidence that the currently registered uses of pesticides on hay crops result in illegal residues when directions and limitations on the label are carefully followed."

Are you saying there that if the directions are followed strictly as they appear on the label, and there is a problem such as this, then you would be automatically responsible?

Mr. PHILLIPS. If the directions and limitations are carefully followed on the currently registered uses—and that is important, Mr. Chairman—then we do not have evidence that there will result illegal residues.

Mr. DE LA GARZA. Now, apparently this has been before the Department for a considerable amount of time. Did they present individual cases to the Department, wanting repayment or payment on their hay?

Were they presented individually by farmers, or——

Mr. PHILLIPS. I have no knowledge of individual petitions for payment, Mr. Chairman.

Mr. DE LA GARZA. Well, you reconsidered something that Congressman Olsen had before you. This is what I am trying to find out, exactly what.

Mr. PHILLIPS. I referred to our report on the bill. The chairman of the Agriculture Committee requested a report on that bill, and the Department submitted a report on that.

Mr. DE LA GARZA. I am sorry, yes, that is true, but what I was thinking about is you have had individual requests on loss of milk, and have satisfied them; is that correct?

Mr. PHILLIPS. This is the dairy indemnity payment program which is other legislation to which the Department must reply.

Mr. DE LA GARZA. Apparently with the same individuals, except that you were under different legislation to provide an indemnity for them; is that right?

Mr. PHILLIPS. The dairy indemnity payment is under separate legislation.

Mr. DE LA GARZA. Mr. Kleppe.

Mr. KLEPPE. This is kind of interesting to me. There are other legislative provisions whereby you made those payments for milk, which you at this time do not indicate apply to the other losses sustained by the producers; is that correct?

Mr. PHILLIPS. The dairy indemnity payment is a completely different legislation. This is the dairy indemnity program which was provided for under the Economic Opportunity Act of 1964 orginally, and it has been extended since that time. But that was completely different legislation to which the Department has not necessarily subscribed.

Mr. KLEPPE. The payments made that were referred to by the earlier witnesses, then, were under that act; is that correct?

Mr. PHILLIPS. Yes, sir.

Mr. KLEPPE. And further, any losses sustained in conjunction with this problem of chlordane were not applicable to that act, but would have to come under the Insecticide, Fungicide and Rodenticide Act; is that correct?

Mr. PHILLIPS. If I understand you, sir, the only indemnity payments we are permitted to make are under this dairy indemnity payment program that was provided for under the Economic Opportunity Act of 1964, as amended or extended.

Mr. KLEPPE. You do not see any inconsistency, then, in the payments that have been made under the Indemnity Act versus the other losses as stated by the producers; is that correct?

Mr. PHILLIPS. We have certain legislative responsibility to follow the mandates of Congress in this legislation. And this was, we were directed to make dairy indemnity payments, and we have been making them.

Mr. KLEPPE. Specifically, though, Mr. Phillips, do you feel there is any inconsistency in the fact these milk indemnity payments were made and no payment at all was paid for other losses along with the problems of the producers?

Mr. PHILLIPS. Well, let me say this——

Mr. KLEPPE. This is what I am trying to get clear in my mind.

Mr. PHILLIPS. I will stand on my former statement, that where damages result from Government, then they should be handled by private bills, we feel, rather than by general indemnity payment legislation.

Mr. KLEPPE. Yes, I understand that.

Mr. PHILLIPS. Coming more nearly to what you are asking, if the damages are sustained by the same occurrence, yes, there would be a close relationship there.

Mr. KLEPPE. Let me twist this question around a little bit——

Mr. PHILLIPS. I do not mean to do that.

Mr. KLEPPE. Let me twist it around for you and maybe I can clear it. Would it be possible, legislatively, legally, to make payments for the other types of losses sustained by the producers, other than just for the milk losses?

Mr. PHILLIPS. Not under the legislation we are operating under the Economic Opportunity Act.

Mr. KLEPPE. All right. That answers that question.

Now, do I gather from your statement a general tone that maybe the provisions of the Insecticide, Fungicide, and Rodenticide Act are not quite strong enough in some instances for the Departmentt to act when trouble occurs?

Mr. PHILLIPS. My own personal feeling is, it is strong enough, but I will yield to Mr. Iverson, who is in the Agricultural Research Service, who administers that act.

Mr. KLEPPE. Go ahead.

Mr. IVERSON. The provisions of the Federal Insecticide, Fungicide, and Rodenticide Act, or the FIFRA, as we commonly call it, are quite clear and they do give us the authority to move in the direction of canceling a label when we do have evidence to support our action.

Up until the point of May 11, 1968, we had neither data nor any evidence that would indicate tronble with residues. A change in regulations and sophisticated technology in the analytical procedures uncovered the difficulty.

Up until this time, we considered that the data provided by the manufacturer in support of the registration was adequate. It did not indicate there would be any trouble involved with this particular use. It was on that basis that the material was registered for this particular use and remained on the books as a valid use.

Mr. KLEPPE. All right, now, did the Department gather any new tests of any kind, or any new evidence of any kind, prior to removing chlordane as an authorized prodnct on May 11, 1968?

Mr. IVERSON. No, it was not on the basis of new evidence, it was on the basis that a recommendation by the National Academy of Sciences, that the zero or no residue registrations were untenable. This meant that food forage uses required a tolerance if a residue did appear following the snggested pattern of use.

Mr. KLEPPE. At any time during the course of the involved period here, did the Department have any verification of the fact that the people, the producers that used chlordane, did apply it to an alfalfa plant that has less than 2 inches of growth, which was in the statement that Congressman Olsen read from this memorandum?

Was there any evidence of that type that was presented?

Mr. IVERSON. I have not been that close to this particular case, to respond positively.

Mr. KLEPPE. I wonder, Mr. Chairman, could we ask one of the other gentlement who testified to come back and comment on that question?

It seem to me this item of 2 inches of growth might be a factor in here, because it is pretty explicit, it says it may be used providing the alfalfa has not achieved 2 inches of growth.

Mr. DE LA GARZA. Senator Boylan.

Mr. BOYLAN. Paul Boylan speaking again. When it finally resolved itself down was to what was forage. That was the main sticker, what was forage. But it was finally determined afterward. At first they said 2 inches of growth was not forage.

Mr. KLEPPE. You mean foliage?

Mr. BOYLAN. Foliage or forage.

Mr. KLEPPE. I see.

Mr. BOYLAN. Now, they made the determination the whole plant system is really forage or foilage. That was the problem before. It says not to put on foliage or forage. But now they made the determination that the whole plant system, roots and all, is forage or foliage. And that was the big to-do about what was forage and foliage.

Mr. KLEPPE. This is an operation for us to decide, I am sure of that. Thank you.

Mr. DE LA GARZA. Thank you, Senator.

Mr. KLEPPE. It seems to me like we have a rather specific legal question involved here as to whether or not the Department is truly at fault, or whether the applicators or the makers of chlordane are at fault, or just exactly how this works.

There is no question in my mind we've got 29 or 30 producers that have suffered substantial losses, and I had a private case in my district somewhat similar to this, only it did not apply to an agricultural product, and we went about it in a private bill, which you happened to mention. But in this instance, I suspect you would have to have 30 private bills if you are going to get any help for these folks that sustained these losses.

And the fact they brought a banker down here, testifying to the difficulties they had liquidating their notes or keeping current, is pretty indicative of the fact the moneys are serious. We do not need this kind of evidence to know that farmers today, whether dairy farmers or wheat farmers or something else, have real money problems, but you have really brought it to light today and I appreciate the testimony of all of you, and thank Mr. Phillips for answering my questions.

Mr. DE LA GARZA. Mr. Sebelius.

Mr. SEBELIUS. Mr. Phillips, I do not know how familiar you are with what happened in Montana, but I was wondering whether or not in making the milk payment, any determination was made as to whether or not the chlordane was used as instructed?

Mr. PHILLIPS. On the hay?

Mr. SEBELIUS. Yes.

Mr. PHILLIPS. I have Mr. Cook here, who works with the dairy indemnity payments.

Was there anything in connection with the dairy indemnity payments on the ——

Mr. Cook. We have no evidence that the producers did not follow the recommendations or directions that they received.

Mr. Phillips. Nor that they did follow it.

Mr. Sebelius. In other words, the milk payments paid under the amendment of the OEO Act was paid not on the basis of fault of the Government, but it was paid because you have taken contaminated milk off the market?

Mr. Phillips. That is right.

Mr. Sebelius. That payment has no credence in this case as far as whether or not we should go ahead and indemnify them for something else. The Department has not accepted this as a fault, they made the payment as provided by law for taking it off the market.

Mr. Phillips. That is right.

Mr. Sebelius. Is anyone here qualified to answer how does chlordane contaminate the hay? Is it by reason of introduction through the roots, or is it by reason of spray on the foliage?

Mr. Phillips. We have Mr. Walker here from the Agricultural Research Service.

Mr. de la Garza. Would you kindly identify for the record completely Mr. Cook who answered a question.

Mr. Phillips. Mr. Robert Cook of the Agricultural Stabilization and Conservation Service.

Mr. de la Garza. And would you do the same for the doctors?

Mr. Phillips. Mr. Kenneth Walker, assistant to the deputy administrator Farm Research, Agricultural Research Service.

Mr. de la Garza. We would be happy to hear from you.

Mr. Walker. Thank you, Mr. Chairman.

Chlordane is applied to the crop and to the ground when there is 2 inches of growth or less. The hay can become contaminated in one of two ways, or perhaps both ways. One would be by the translocation or the movement of the pesticide itself into the root system and then up into the foliage or the top aerial portion.

The other possible source of contamination would be dusting at the time of harvest. When the hay is cut and raked, the dust, the small soil particles are dusted up or whipped up into the hay.

It is very difficult, if not almost impossible, to determine exactly which method of contamination is involved, and the extent of the contamination that you can ascribe to translocation and that you can ascribe to the harvesting practice.

Thank you.

Mr. Sebelius. I gather from these instructions, the idea of applying chlordane at this time, before the plant gets above 2 inches tall, is to kill the eggs in the ground so the weevil is caught before he gets underway?

Mr. Walker. It is basically used as a means of controlling the adult insect, not the eggs.

Mr. Sebelius. When does the adult insect appear, in the springtime?

Mr. Walker. It hatches from the overwintered egg, the egg that was deposited the previous fall on the stubble, and close to the ground. It hatches early in the spring and this is the reason for the recommenda-

tion of 2 inches of growth or less. This would then encompass the normal hatching period of the insect.

Mr. SEBELIUS. Would there be any weevil damage prior to the time it reaches 2 inches tall? Noticeable weevil damage?

Mr. BOYLAN. The larva is what does the damage. The adult lays the egg in the stem of a plant, and then when the larva is in there, they feed on the plant and therefore ruin the plant. And then, of course, as the doctor said, there are two ways. I think they finally determined this was sustained, that the plants could draw this from the soil and then go into the plant that way.

They finally made a determination that this was also stamina.

Mr. SEBELIUS. The eggs of the adult weevil are laid in the fall in the trash and stubble and then the larva go on to the new emerging plant.

Mr. BOYLAN. The adult weevil does no damage.

Mr. KLEPPE. Would you yield for a question?

Mr. SEBELIUS. Yes.

Mr. KLEPPE. What kind of contamination do you get in the milk from the use of chlordane?

Mr. BOYLAN. The residue was heptachlori epoxide.

Mr. KLEPPE. What does that mean in lay language?

Mr. BOYLAN. I am no chemist, but that is the residue found in the milk and, of course, there was some question, they could not see how chlordane would break up in the animal and become heptachlori epoxide residue in the fat of milk and in the fat of animals. That is where this product was deposited, was in the fat of the animal and the fat of the milk, mostly.

Mr. SEBELIUS. One more question.

Have you given any thought to suing the manufacturer of the chlordane on the basis of implied warranty of his product?

Mr. BOYLAN. Legal counsel has informed us most of these insecticides and pesticides and household things, they said if you read the label specifically on the container, you would never take it off the store shelf because they have completely covered themselves in that way. And I think these people have reaped the benefit of this, in no way have they had to stand any losses whatsoever in these products that they have put out.

Mr. SEBELIUS. Products liability law has really grown by leaps and bounds in the last 10 years and if the statute of limitations in Montana has not run out. I suggest that as an alternative route to consider.

Thank you, sir.

Mr. OLSEN. Mr. Chairman, could I respond to Mr. Sebelius just for a moment again regarding the advice that came from the extension service to the farm population of the county. They named the pesticides that should not be used, and then in the same paragraph they said chlordane may be used provided it is used before the plant is more than 2 inches.

This is the basis upon which the claim is, that the Department of Agriculture cannot say that these people misapplied this. And, of course, they did pay on the milk, as you pointed out, regardless of whether they misapplied it, but the fact is that they are paid on the milk because they were advised to use chlordane.

They would not have been paid under any act if they had used any other chemical, if they had used those they were advised not to use.

Mr. SEBELIUS. I gathered that if the Department pulled the milk off the market they would get paid under that act, regardless.

Mr. OLSEN. But it was because of the residue for chlordane. That is the reason they got paid. The residue from chlordane is the reason they got paid.

Now, there is more in the law, of course, but the fact is the residue was from chlordane. That is why they got paid.

Mr. SEBELIUS. Of course, if it had been DDT or something else, they still would have paid them.

Mr. OLSEN. No; certainly not from any of those they were not advised to use. I think the record will show—and we could go through it in greater detail—the record absolutely shows they were paid because of a residue from chlordane and no other reason. That is the only reason they were paid, and I would ask the Department of Agriculture on that, if that is not true.

Mr. SEBELIUS. Thank you, Congressman Olsen.

Mr. DE LA GARZA. Thank you very much.

Thank you very much, Mr. Phillips.

I would like to state for the record we have Congressman Melcher from Montana, who is a distinguished member of our committee, and one of the newer Members of the Congress. We would be very happy if he would comment. He is very interested in the affairs of his State, and if there is anything you would like to say, Congressman, we would be very happy to hear from you.

Mr. MELCHER. Thank you, Mr. Chairman.

I want to make a very brief statement.

I do not think there is any question about the basic need to protect consumers. In the process of protecting consumers, there will be a great deal more checking on just what possible elements or chemicals are in meat animals. We are going to find that in many cases the producer who has done an honest job of producing the meat animal will be told that some objectionable ingredients got into the meat.

Probably there would not have been any check on these cows, or really any concern about this particular 1,000 tons of hay in the Gallatin Valley, except that it came up on the basis of finding chlordane or the derivative of chlordane in milk.

As a result of that, we examined the meat animals that were already there and then, of course, pointed out that the hay could not be fed to these animals even though they were not going to produce milk, they were going to be used for beef.

We have got to establish some basis of protecting the producers, and I think on the basis of equity, that this bill should have favorable consideration.

I think that the producers here have been caught; they performed their job honestly in accordance with instructions of a Federal agency and then, to protect the consuming public, they got their product condemned and are suffering severe losses. I think on equity the bill should be passed, and I hope you concur with it.

Mr. KLEPPE. Would the gentleman yield?

Mr. MELCHER. I would be glad to.

Mr. KLEPPE. John, you are a veterinarian. What kind of a problem incurs in the fat of meat, in animals, as the result of chlordane.

Mr. Melcher. You mean what damage would be to the consumer?

Mr. Kleppe. Yes, what is it?

Mr. Melcher. I am not sure that anybody knows that it would be damaging to the consumer, but since we do not know, and we do not know the effect of it, I think the Department is right in saying we had better guard against it.

Doctor Walker, you mentioned the tolerance of chlordane allowed in meat. Whose advice or tolerance limit was that, I forgot?

Mr. Walker. Tolerances are set by the Food and Drug Administration.

Mr. Melcher. I think this is correct, that we must set the tolerances, we must watch what possible damaging effect these chemicals might have.

Mr. Kleppe. We do not specifically know it is the kind of thing that causes cancer or heart disease or tuberculosis or anything else——

Mr. Melcher. To my knowledge, I would have to say no, I do not think we do know.

Mr. Kleppe (continuing). But we do accept the fact it is a deleterious substance that should not be in the fat of animals or milk; is that correct?

Mr. Melcher. That is correct and that is my understanding.

Mr. de la Garza. Thank you very much, Congressman Melcher.

Before we conclude the testimony, Senator, let me come back to you once more, if I might, sir.

I am sure this was quite a shock to the people in the area, and I would like to know if there was any State legislative or executive investigation or hearings or any action taken by the State of Montana?

Mr. Boylan. As a result of this, there were about 50 bills introduced on pesticides in our State Legislature, and of course this was one reason I got elected from our community. It was on the chlordane pesticide issue.

This is becoming a very emotional thing in the State of Montana; pesticides, hard pesticides, and so forth, as it is in other States of the United States, especially Wisconsin, California, the combating of DDT and hard pesticides. We have a study committee out there now that is studying for recommended legislation for the next legislative assembly of the State of Montana.

Mr. de la Garza. This is after the fact now, but is that assistant State entomologis still on the job?

Mr. Boylan. Yes, sir.

Mr. de la Garza. Has anyone sued the State for any action?

Mr. Boylan. Not yet.

Mr. de la Garza. Thank you very much, Senator.

Mr. Boylan. Thank you, sir.

Mr. de la Garza. The committee will gather all of the information on this bill, and we will stand recessed, subject to the call of the Chair.

In the interim we will seek advice from Mr. Olsen as to how to proceed.

Mr. Olsen. I will be after you. Thank you very much.

(Whereupon, at 11:15 a.m., the committee adjourned, to reconvene subject to the call of the Chair.)

LEGISLATIVE HISTORY
Public Law 91-110
H. R. 9946

TABLE OF CONTENTS

INDEX AND SUMMARY OF H. R. 9946

April	3, 1969	Rep. McMillan introduced H. R. 9946 which was referred to House Agriculture Committee. Print of bill as introduced.
June	12, 1969	House committee reported H. R. 9946 without amendment. H. Rept. No. 91-312. Print of bill and report.
June	16, 1969	House passed H. R. 9946 under suspension of the rules.
June	18, 1969	H. R. 9946 was referred to Senate Agriculture and Forestry Committee. Print of bill.
Aug.	6, 1969	Senate committee reported H. R. 9946 without amendment. S. Rept. No. 91-344. Print of bill and report.
Oct.	9, 1969	Sen. Proxmire submitted a proposed amendment to H. R. 9946.
Oct.	20, 1969	Senate passed H. R. 9946 with amendment.
Oct.	23, 1969	House concurred in Senate amendment to H. R. 9946.
Nov.	6, 1969	Approved: Public Law 91-110.

91ST CONGRESS
1ST SESSION

H. R. 9946

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 1969

Mr. MCMILLAN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to execute and deliver to the Board of Education of Lee County, South Carolina, its successors and assigns, a quitclaim deed conveying and releasing unto the said Board of Education of Lee County, South Carolina, its successors and assigns, all right, title, and interest of the United States of America in and to those tracts of land, situate in said Lee County, South Carolina, containing eleven parcels, five

of said parcels being more particularly described in a deed dated December 14, 1945, from the United States conveying said parcels to the State Superintendent of Education for the State of South Carolina, recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book H–1, page 388, and six of said parcels being more particularly described in a deed dated July 15, 1946, from the United States to the State Superintendent of Education for the State of South Carolina, and recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book J–1, page 288.

91ST CONGRESS
1ST SESSION

H. R. 9946

A BILL

To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

By Mr. McMILLAN

APRIL 3, 1969
Referred to the Committee on Agriculture

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY; NOT TO BE QUOTED OR CITED)

Issued June 13, 1969
For actions of June 12, 1969
91st-1st; No. 97

CONTENTS

HIGHLIGHTS: Senate committee reported second supplemental appropriation bill. House committee reported bill to provide marketing orders for certain pears, and potato promotion bill. Sen. Aiken et al introduced and Sen. Aiken discussed food stamp bill. Sen. Muskie et al introduced and Sen. Muskie discussed environmental improvement quality bill. Sen. Brooke introduced and discussed trade expansion bill. Sen. Hruska introduced and discussed meat quota-control bill.

HOUSE

1. POTATO PROMOTION. The Agriculture Committee reported with amendment H. R. 2777, the potato research and promotion bill (H. Rept. 91-312). p. H4788

2. PEARS; MARKETING ORDERS. The Agriculture Committee reported with amendment H. R. 2690, to provide marketing orders for pears for canning and freezing (H. Rept. 91-310). p. H4788

3. LANDS. The Agriculture Committee reported without amendment H. R. 9946, to authorize the Secretary of Agriculture to quit-claim retained rights in certain tracts of land in Lee County, S. C. (H. Rept. 91-312). p. H4788

4. INTEREST RATES. Rep. Montgomery deplored the "most recent increase in the prime interest rate." p. H4762

5. TAXATION. Rep. Anderson, Ill., commended Members of both Houses who were called to the White House to consider the question of an extension of the 10-percent surtax for their pledge to use their influence to secure a favorable vote on the President's tax proposal. p. H4764

6. LEGISLATIVE PROGRAM. Rep. Albert announced the following program for next week. Monday is Consent Calendar Day, and the Older Americans Act amendments and the Padre Island National Seashore, Tex., bill will be brought up under suspension of the rules. Tuesday is Private Calendar Day and will be followed by the public health cigarette smoking bill and the bill for the construction of the Kennewick division extension, Yakima project, Washington. p. H4760

7. ADJOURNED until Mon., June 16. p. H4788

SENATE

8. SUPPLEMENTAL APPROPRIATIONS. H. R. 11400, the supplemental appropriation bill for 1969 which had been reported earlier by the Appropriations Committee with amendments (S. Rept. 91-228), was made the unfinished business for debate Mon.. pp. S6215, S6411

9. LABELING. The Commerce Committee voted to report (but did not actually report) S. 1689, to require labeling of hazardous toys and other such articles intended for use by children. p. D495

10. FOREIGN TRADE. Sen. Moss supported an amendment to limit lamb imports and inserted supporting press releases detailing the statements of officials of the domestic sheep industry. pp. S6220-2

91st Congress } HOUSE OF REPRESENTATIVES { Report
1st Session } { No. 91-312

RELEASE OF RETAINED RIGHTS IN CONVEYANCE TO THE BOARD OF EDUCATION OF LEE COUNTY, S.C.

June 12, 1969.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Poage, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H.R. 9946]

The Committee on Agriculture, to whom was referred the bill (H.R. 9946) to authorize and direct the Secretary of Agriculture to quitclaim without consideration retained rights in certain tracts of land to the Board of Education of Lee County, S.C., having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

H.R. 9946 involves approximately 285 acres of land situate in Lee County, S.C. This acreage, part of two tracts or 11 parcels, was part of a resettlement project initiated during the depression of the early thirties. The Farm Security Administration of the U.S. Department of Agriculture and the South Carolina Rural Rehabilitation Corp. purchased some 1,100 acres for the project. The land in question was set aside for educational and community purposes when the settlement was dedicated, and has been so used continuously since then.

In 1945 and 1946 the Farm Security Administration of the Department of Agriculture conveyed its interest in the property to the South Carolina State superintendent of education. The deeds of conveyance provide that the property is to be maintained and operated for school and community purposes. The deeds expressly reserve to the Federal Government the right to reenter the property if it is not so used. By virtue of authority of the South Carolina General Assembly, the South Carolina State Department of Education transferred its right title and interest in the property to the Lee County Board of Education by quitclaim deed on May 20, 1953.

HEARINGS

Hearings were held by the Departmental Operations Subcommittee on June 9, 1969. There was no testimony in opposition to the measure which was unanimously reported.

PURPOSE

This bill would authorize and direct the Secretary of Agriculture to execute and deliver to the Board of Education of Lee County, S.C., a quitclaim deed conveying and releasing unto said board all right, title, and interest of the United States of America in the subject acreage which is situate in Lee County, S.C.

The right, title, and interest of the United States of America here involved is shared with the South Carolina Rural Rehabilitation Corp. on an undivided basis—the United States holding a 61.9 percent interest, the rest being held by the South Carolina Rural Rehabilitation Corp.

NEED FOR THE LEGISLATION

The Lee County Board of Education has, since 1953, operated a 12-grade public school on the land in question. Additionally, the county operates three other high schools, all of which are segregated. In an effort to comply with an order of the U.S. District Court of South Carolina to provide integrated educational facilities in Lee County, the board of education has proposed, and the Department of Health, Education, and Welfare has approved, the construction of a single high school for Lee County on the property in question.

Edwin M. Culpepper, superintendent of education for Lee County, testified that the property in question is the best site available in the county for a consolidated school. He further indicated that clear title to the land is a prerequisite to the issuance of construction bonds required to finance the project.

The South Carolina Rural Rehabilitation Corp. has advised the committee that it is preparing a deed to quitclaim its undivided right of reversion; the Federal Government must also relinquish its right of reentry if the consolidated high school is to become a reality. The Federal Government's refusal to act would nullify the Lee County Board of Education's efforts to comply with a Federal court order, and perpetuate segregation of its schools.

COST

Enactment of the legislation will result in a savings to the Government. Passage of the bill will enable the Lee County Board of Education to comply with a Federal court order, the continued enforcement of which would result in expense to the Government.

DEPARTMENTAL POSITION

In a letter addressed to Chairman W. R. Poage of the committee, dated June 9, 1969, Acting Secretary of Agriculture Richard Lyng wrote:

"Since it is our understanding that the property would be used by the Board of Education of Lee County for rural educational and community purposes which are authorized rural rehabilitation purposes under section 2(c) of Public Law 499, this Department would be willing to consent to a conveyance by the South Carolina Rural Rehabilitation Corp. of its undivided 38.1 percent interest to the board of education without monetary consideration."

○

Union Calendar No. 118

91ST CONGRESS
1ST SESSION

H. R. 9946

[Report No. 91–312]

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 1969

Mr. MCMILLAN introduced the following bill; which was referred to the Committee on Agriculture

JUNE 12, 1969

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to execute and deliver to the Board of Education of Lee County, South Carolina, its successors and assigns, a quitclaim deed conveying and releasing unto the said Board of Education of Lee County, South Carolina, its successors and assigns, all right, title, and interest of the United States of America in and to those tracts of land, situate in said Lee County, South Carolina, containing eleven parcels, five

of said parcels being more particularly described in a deed dated December 14, 1945, from the United States conveying said parcels to the State Superintendent of Education for the State of South Carolina, recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book H–1, page 388, and six of said parcels being more particularly described in a deed dated July 15, 1946, from the United States to the State Superintendent of Education for the State of South Carolina, and recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book J–1, page 288.

Union Calendar No. 118

91ST CONGRESS
1ST SESSION

H. R. 9946

[Report No. 91–312]

A BILL

To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

By Mr. McMILLAN

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HOUSE June 16, 1969

8. HUNGER. Sen. Spong inserted the second phase of his reports on "Food Problems in Virginia" which compares and contrasts the "problems of hunger and malnutrition as they affect urban and rural areas." pp. S6465-6

9. ENVIRONMENT. Sen. Hansen inserted an essay in which the author points out that "preserving and restoring wildlife habitat is a matter of concern for all people." pp. S6466 7

10. FOREIGN TRADE. Sen. Dodd inserted Sen. Dirksen's article, "Needed: A Realistic East West Trade Policy" in which he argued that we ought to make trade policy an instrument of our foreign policy. pp. S6469-71

11. MONOPOLIES. Sen. Talmadge inserted the "Summary of Recommendations of the Task Force on Productivity and Competition" and related material. pp. S6472-82

12. LEGISLATIVE PROGRAM. The Senate made its unfinished business the second supplemental appropriation bill. p. D501

HOUSE

13. RECREATION. Passed under suspension of the rules H. R. 11069, to authorize the appropriation of funds for Padre Island National Seashore, Tex. pp. H4818-19

14. OLDER AMERICANS. Passed under suspension of the rules H. R. 11235, to extend the duration of the grant programs of the Older Americans Act, authorize a national older Americans volunteer program, provide assistance to strengthen State agencies on aging and community projects; and authorize areawide model projects. pp. H4798-912

15. LANDS. Passed under suspension of the rules H. R. 9946, to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, S. C. pp. H4819-20

ATOMIC ENERGY. The "Daily Digest" states that the Joint Atomic Energy Committee "authorized introduction in the Senate and House, respectively, of original bills (in lieu of S. 1884 and H. R. 10130) authorizing funds for the Atomic Energy Commission for fiscal year 1970." p. D504

17. INTEREST RATES. Rep. Patman stated the Nation "cannot long endure a prime lending rate of 8½ percent" and announced that the Banking and Currency Committee will launch a full-scale investigation into the increase. pp. H4820-21

Rep. Fulton, Tenn., stated there should be an immediate investigation by the Justice Department of the New York banks' action in "causing this latest nationwide rate increase." p. H4828

18. SHOE IMPORTS. Rep. Burke, Mass., called attention to the "recordbreaking petition...asking that the President enter into negotiations with prinicpal foreign supplying nations directed toward the establishment of voluntary import limitations on shoes and inserted press releases and telegrams on the subject. pp. H4821-3

19. TOBACCO. Rep. Adams inserted the statements of Warren Braren, former Manager of the N. Y. Office of the Code Authority, and Vincent T. Wasilewski, President of National Assoc. of Broadcasters, so that the membership may have both sides of the cigarette health advertising "controversy." pp. H4824-27

20. FARM PAYMENTS. Rep. Findley commended and inserted "a study of the effect of farm payment limits ordered last fall by President Johnson and widely identified as the 'Schnittker study' which "concluded that a limit of $10,000 per program or $20,000 per farm would yield budget savings of nearly $300 million a year and at the same time could be administered without 'serious adverse effect' on the functioning of present programs." pp. H4833-37

Rep. Conte inserted copies of a letter sent to Sen. Holland by Dr. John A. Schnittker and his accompanying statement and proposed amendment filed last week with the Senate Appropriations Subcommittee on Agriculture, to limit "the price support and acreage diversion payments under each of the 1970 price support and adjustment programs, upland cotton, extra long staple cotton, wheat, and feed grains, to a single producer to $10,000." pp. H4838-940

21. TAX REFORM. Rep. Podell stated tax reform delayed is in effect tax reform denied. pp. H4842 43

22. CONTRACTS. Rep. Podell spoke in support of his bill to provide for annual reports to the Congress by the Comptroller General concerning certain price increases in Government contracts and certain failures to meet Government contract completion dates. pp. H4843-44

23. EDUCATION. Rep. Waldie inserted the statement of the president of the National School Boards Association urging the Congress "to assign higher priority for federal support of public education by fully funding authorized programs for federal aid to public." pp. H4844-6

24. FARM LOANS. Received from this Department a proposed bill to amend the Consolidated Farmers Home Administration Act of 1961, as amended, to provide for insured operating loans, including loans to low-income farmers and ranchers; to Agriculture Committee. p. H4872

25. RESEARCH. Received from Interior a report of projects selected for funding through grants, contracts, and matching or other arrangements with educational institutions and with private firms, as authorized by the Water Resources Research Act of 1964. p. H4872

Mr. GROSS. I am pleased to hear the gentleman say that, because it seems to me in this particular case there was an unconscionable escalation in the cost of the Federal Government. I must register my protest to what happened. I am not going to make a full-fledged issue out of it here today. We are already in it to that extent where I feel we must proceed, but I hope it does not happen again.

Mr. KYL. Mr. Speaker, will the distinguished gentleman yield?

Mr. ASPINALL. I yield to my second good friend from Iowa.

Mr. KYL. I appreciate the gentleman mentioning that he has two friends from Iowa. I thank the gentleman for yielding.

In this particular instance I think there was a surprise that no one in the administration or in the House or in the States of Texas could contemplate. This was the amount which was actually allowed by the court in the condemnation proceedings. This was larger than the landowners themselves expected. It was much larger than the solicitor of the Department of the Interior contemplated. There was no way of predicting what the court would do in this instance in a most unusual manner.

Mr. ASPINALL. I go along with my friend in his statement. Knowing this area as we thought we knew it at that time, this kind of price did not seem possible, but when it got into court, of course, the prices were set there and the court found those prices to be proper. The judgment became final, and it called for more money than we had allowed. Particularly with the increasing cost of interest, we feel the best thing to do is to go ahead and pay this judgment now.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Iowa.

Mr. GROSS. It seems to me in the future, if we run into a situation of this kind and dealing with people as avaricious as they apparently are in this particular case, there must be an agreement which would prevent a matter of this kind going to court, or else see to it that the Federal Government's commitment of funds was abrogated.

Mr. ASPINALL. We are endeavoring to get those commitments.

Mr. SKUBITZ. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SKUBITZ asked and was given permission to revise and extend his remarks.)

Mr. SKUBITZ. Mr. Speaker, I rise in support of H.R. 11069, a bill to authorize the appropriation of $4,129,829, plus interest, to satisfy a final judgment against the United States in a condemnation action which was brought to acquire property for the Padre Island National Seashore in the State of Texas.

Congress in 1962 authorized the establishment of Padre Island National Seashore, comprising 133,918 acres, substantially all of which was in private ownership—33,545 acres owned by the State of Texas—and authorized an appropriation of $5 million for the acquisition of lands and interests in lands.

Negotiations to acquire these lands and interests failed, and the Government was required too file declarations of taking under the act of February 26, 1931.

The result has been that practically all of the lands needed for the establishment of Padre Island National Seashore have been acquired in this manner, and at tremendous cost to the Federal Government—a cost which I am advised was not foreseeable in the original estimates of acquisition costs.

H.R. 11069 authorizes the appropriation of $4,129,829, plus interest, to satisfy the final judgment as mentioned.

Despite my inward reaction against this type of legislation, the facts are that the judgment must be paid and, therefore, the need for this legislation.

A careful review of this proceeding—or civil action No. 66–B–1—further dictates that the legislation be favorably considered—as the best of a bad bargain.

This legislation involves a total of 10,560 acres of the Padre Island National Seashore.

At the time the declaration of taking was filed the sum of $1,602,921 was deposited with the court and the fee simple title to these lands vested in the United States.

The Federal statute prescribes that in such court proceedings that the judgment shall include, as part of the just compensation awarded, interest at the rate of 6 percent per annum on the amount finally awarded as the value of the property.

Through compromise and court action the judgment has been reduced from $9,891,637.80 to a total award of $5,700,000.

The award, less the deposit, results in a deficiency in the sum of $4,129,829—the amount authorized to be appropriated in this legislation.

Mr. Speaker, I urge the passage of H.R. 11069 to satisfy this judgment against the United States.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

(Mr. TAYLOR asked and was given permission to revise and extend his remarks.)

Mr. TAYLOR. Mr. Speaker, H.R. 11069 increases the amount authorized so as to complete the acquisition of land for the Padre Island National Seashore.

Last fall Congress had before it legislation which would have increased the authorization to permit appropriations to complete this land acquisition. However, we felt that the ceiling should be limited at that time to the amount needed to satisfy the judgments which had been made final. It was understood at that time that additional judgments had been rendered against the United States, but that the time for appeal had not expired.

These judgments, when made final, exceeded the amounts deposited with the court by the National Park Service by nearly $9 million. However, further consideration by the court and a compromise between the parties approved by the court have reduced the need for additional funds to $4,129,829, plus interest at 6 percent from January 1, 1969.

This is a just matter of authorizing money to pay valid judgments against the United States which are now final and drawing interest at the rate of 6 percent per year. I believe that we have no choice except to pass the legislation and pay this debt.

The moneys authorized by this will pay the balance due on the judgment for 8,932.10 acres. Originally, this action—civil No. 66–B–1—involved 10,560.15 acres, but 1,628.05 acres are being revested in the original owners. It was felt that the lands revested would have been a valuable addition to the seashore, but it is detached from the remainder of the seashore by the Mansfield Channel. Since the costs exceeded the amounts anticipated, it was not essential and was not as valuable as the costs to be incurred.

In all, with the revestment, the Padre Island National Seashore will total approximately 132,000 acres of lands and submerged lands.

The SPEAKER. The question is on the motion of the gentleman from North Carolina that the House suspend the rules and pass the bill H.R. 11069, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

RELEASE OF RETAINED RIGHTS IN CONVEYANCE TO THE BOARD OF EDUCATION OF LEE COUNTY, S.C.

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9946) to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, S.C.

The Clerk read as follows:

H.R. 9946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to execute and deliver to the Board of Education of Lee County, South Carolina, its successors and assigns, a quitclaim deed conveying and releasing unto the said Board of Education of Lee County, South Carolina, its successors and assigns, all right, title, and interest of the United States of America in and to those tracts of land, situate in said Lee County, South Carolina, containing eleven parcels, five of said parcels being more particularly described in a deed dated December 14, 1945, from the United States conveying said parcels to the State Superintendent of Education for the State of South Carolina, recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book H–1, page 388, and six of said parcels being more particularly described in a deed dated July 15, 1946, from the United States to the State Superintendent of Education for the Senate of South Carolina, and recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book J–1, page 288.

The SPEAKER. Is a second demanded?

Mr. KLEPPE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. DE LA GARZA) will be recognized for 20 minutes, and the gentleman from North Dakota (Mr. KLEPPE) will be recognized for 20 minutes. The Chair

recognizes the gentleman from Texas (Mr. DE LA GARZA).

(Mr. DE LA GARZA asked and was given permission to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, this is a bill to direct and authorize the Secretary of Agriculture to convey by quitclaim deed the interests of the U.S. Government to certain property situated in Lee County, S.C.

The interest in question is a 61-percent undivided right of reentry to approximately 285 acres. The right would only exist in the event the property in question ceases to be used for educational or community purposes. The conveyance will be made without consideration.

By way of explanation, Mr. Speaker, I would like to inform my colleague that the land in question was part of a very large tract which was jointly purchased by the Farm Security Administration of the Department of Agriculture and the South Carolina Rural Rehabilitation Corporation in the 1930's, for use as a resettlement project necessitated by the great depression.

Most of the land in this tract was deeded to individuals in 40-acre tracts; many of the original owners still farm those parcels. The land in question was set aside for municipal use in the resettlement project and a school constructed thereon. The school and its related facilities have been in continuous operation, however, in the 1940's the Farm Security Administration deeded its interest to the South Carolina State Superintendent of Education, while retaining the right of reentry which I explained a moment ago.

In 1953 the State of South Carolina deeded its interest in the land to the Lee County Board of Education which has since operated a 12-grade, segregated school thereon.

As many Members know, there is a broad Federal court order in existence in South Carolina which calls for the integration of schools. Lee County is one of 22 counties which are subject to this order. Lee County is diligently trying to comply with the court order and to this end has obtained the approval of the Department of Health, Education, and Welfare of a plan to bring it into compliance. The approved plan requires Lee County to construct a single high school with modern facilities as a replacement for its four high schools. The new school will, of course, be open to all students.

The Superintendent of Schools for Lee County testified that the centrally located parcel of property available for the new school is the one in question, HEW officials concur—the approved plan specifies the site.

As we all know, consruction requires financing and in this instance bonds will be necessary; however, there is no possible way for the county to market its bonds without clear title. The need for early action on this bill is accentuated by the fact that the court order has previously been extended on several occasions. More importantly, however, it should be noted that Lee County has obtained approval of HEW on a plan which involves the land in question. Our failure to act favorably on this bill could result in undue delay.

The need for House action and passage of this measure is self-evident. The Department of Agriculture has indicated that it has no objection to relinquishing its right to reenter the property; the South Carolina Rural Rehabilitation Corporation has advised the committee it is preparing a deed to quitclaim its undivided rights.

I reserve the balance of my time. I yield to the gentleman from North Dakota such time as he may consume.

The SPEAKER. The Chair recognizes the gentleman from North Dakota (Mr. KLEPPE).

(Mr. KLEPPE asked and was given permission to revise and extend his remarks.)

Mr. KLEPPE. Mr. Speaker, in addition to the remarks of the gentleman from Texas, I would briefly like to stress two facts: First, this measure involves no cost to the Government and, moreover, early action will actually result in a savings to the Government. This is so because compliance by Lee County will enable HEW and the Justice Department to bring to an end their enforcement proceedings against Lee County.

Second, as my colleague stated earlier, the land in question has been used as a school since the 1930's and present plans call for this to continue on a permanent basis. There is hence little likelihood that the interest of the United States has an assessable pecuniary interest.

All this bill does is to quitclaim the Government's reversionary rights.

I hope my colleagues will support this bill.

The SPEAKER. The question is on the motion of the gentleman from Texas that the House suspend the rules and pass the bill, H.R. 9946.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

BANKING AND CURRENCY COMMITTEE TO INVESTIGATE PRIME RATE INCREASE

(Mr. PATMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PATMAN. Mr. Speaker, Thursday afternoon, the Banking and Currency Committee will launch a full-scale investigation into last week's increase in the prime interest rate from 7½ to 8½ percent.

Mr. Speaker, this investigation is designed to get to the bottom of these disastrous interest rate increases and determine ways in which we can prevent further increases and roll back the current rates.

Mr. Speaker, Secretary of the Treasury, David M. Kennedy, will be the first witness before the committee. Other witnesses will include the Federal Reserve Board Chairman and Attorney General John Mitchell.

In addition, we will have testimony from representatives of Bankers Trust Co. of New York, Chase Manhattan National Bank of New York, First National City of New York, Continental Illinois National Bank of Chicago, and Riggs National Bank of Washington, D.C. Other witnesses will be announced later this week.

The hearings will open at 2 p.m., Thursday, or as soon as the House adjourns that day. They will continue Friday, Saturday, and Monday, June 20, 21, and 23, if necessary.

Mr. Speaker, I have received telegrams, letters, and telephone calls from people all over the Nation since the interest rates were increased last week. The American public is unquestionably aroused about this situation and it is obvious that they want something done quickly by the Congress.

As I stated last week, the Nation cannot long endure a prime lending rate of 8½ percent. The prime rate, of course, is the rate that goes to only the very best customers of the bank. The other customers pay higher rates and the average consumer and small businessman is virtually cut off from credit at any rate. This is a highly serious situation.

Mr. Speaker, the banks have made this assault on the American public at a time when their earnings are at the highest levels in years. The banks know that the first 6-month figures for 1969, which will be available in a few weeks, will show these record earnings. The banks have totally abandoned their public responsibility and are making an outrageous grab for more profits at a time of economic crisis for the Nation.

One again, the banks have cloaked their profitmaking in outlandish propaganda. Once again, they have claim that they are fighting inflation by raising the price of their product. The banks, of course, are adding to inflation; they are not fighting it through higher and higher interest rates. High interest rates add to the cost of every item in the economy. To fight inflation with high interest rates is like pouring gasoline on a fire.

Mr. Speaker, I wrote President Nixon last week strongly urging that this administration take firm steps to hold back the banks and to protect the public against high interest rates. I have also urged the Secretary of the Treasury to stand up and be counted and to forget his ties to the banking industry long enough to act responsibly. I have also asked Attorney General John Mitchell to investigate the possible violations of the antitrust laws which were engaged in by the banks in this latest prime rate increase.

Mr. Speaker, the administration is moving timidly while the public is gouged with high interest rates by the big banks. The Secretary of the Treasury wrote me a weak-kneed letter about high interest rates which, for all practical purposes, was an open invitation to the banks to raise rates. The Secretary of the Treasury unfortunately is only a few months from the chairmanship of the Nation's eighth largest bank, the Continental Illinois National Bank of Chicago, and he is having great difficulty deciding whether his first concern is for public office or his first love, the banking industry.

Mr. Kennedy is also hamstrung by the fact that he continues a massive financial arrangement with the Continental Illinois National Bank, one of the participants in the prime rate increase. Mr.

H. R. 9946

AN ACT

91ST CONGRESS
1ST SESSION

H. R. 9946

IN THE SENATE OF THE UNITED STATES

JUNE 18, 1969

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to execute and deliver to the Board of Education of Lee County, South Carolina, its successors and assigns, a quitclaim deed conveying and releasing unto the said Board of Education of Lee County, South Carolina, its successors and assigns, all right, title, and interest of the United States of America in and to those tracts of land, situate in said Lee County, South Carolina, containing eleven parcels, five

of said parcels being more particularly described in a deed dated December 14, 1945, from the United States conveying said parcels to the State Superintendent of Education for the State of South Carolina, recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, indeed book H–1, page 388, and six of said parcels being more particularly described in a deed dated July 15, 1946, from the United States to the State Superintendent of Education for the State of South Carolina, and recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book J–1, page 288.

Passed the House of Representatives June 16, 1969.

Attest: W. PAT JENNINGS,

Clerk.

91ST CONGRESS
1ST SESSION

H. R. 9946

AN ACT

To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

JUNE 18, 1969
Read twice and referred to the Committee on Agriculture and Forestry

Calendar No. 339

91ST CONGRESS
1st Session

SENATE

REPORT
No. 91-344

RELEASE OF RETAINED RIGHTS IN CONVEYANCE TO THE BOARD OF EDUCATION OF LEE COUNTY, SOUTH CAROLINA

AUGUST 6, 1969.—Ordered to be printed

Mr. JORDAN of North Carolina, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany H.R. 9946]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 9946) to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the board of education in Lee County, S.C., having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

This bill directs Secretary of Agriculture to quitclaim all interest of the United States in approximately 285 acres to the Board of Education of Lee County, S.C. The United States owns an undivided 61.9 percent interest in retained reversionary rights and mineral interests. The other 38.1 percent is owned by the South Carolina Rural Rehabilitation Corp. The property was acquired by the United States and the Rehabilitation Corp., for a resettlement project and the United States conveyed its interest in 1945 and 1946 to the South Carolina State Superintendent of Education, subject to the right to reenter if the propetry was not used for school and community purposes. The South Carolina State Department of Education transferred the property to the Lee County Board of Education on May 20, 1953. The Lee County Board of Education has, since 1953, operated a 12-grade public school on the land. In an effort to comply with an order of the U.S. District Court of South Carolina to provide in grated educational facilities in Lee County, the board of education has proposed, and the Department of Health, Education, and Welfare has approved, the construction of a single high school for Lee County on the property in question. Clear title to the land is a prerequisite to the issuance of construction bonds required to finance the project.

The Department of Agriculture suggested amendments (1) directing the Secretary of the Interior to join in the conveyance, since he administers the reserved mineral rights; and (2) conditioning the conveyance upon conveyance by the rehabilitation corporation of its interest. The committee did not adopt either of these amendments, because neither of them appeared necessary, and their adoption might result in some delay in passage of the bill. Enactment is regarded as urgent to permit the board of education to comply with the court order. The rehabilitation corporation advised the House Committee on Agriculture that it was preparing a deed to quitclaim its interest. The Department of Agriculture advised informally that it did not regard its suggested amendments as essential.

COST

Enactment of the legislation will result in a savings to the Government. Passage of the bill will enable the Lee County Board of Education to comply with a Federal court order, the continued enforcement of which would result in expenses to the Government.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., June 9, 1969.

HON. W. R. POAGE,
Chairman, Committee on Agriculture,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This will reply to your request of April 16 for a report on H.R. 9946, a bill to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, S.C.

This bill would authorize and direct the Secretary of Agriculture to execute and deliver to the board of education of Lee County, S.C., a quitclaim deed conveying and releasing unto said board all rights, title, and interest of the United States of America in tracts of land situated in Lee County, S.C., containing 11 parcels as described in a deed dated December 14, 1945, from the United States and a deed dated July 15, 1946, from the United States recorded in the land records of the office of the clerk of courts of Lee County, S.C., in deed book H–1, page 388, and deed book J–1, page 288, respectively.

This Department does not object to the conveyance of the Government's reserved and retained rights. However, the Government owns only an undivided 61.9 percent interest in the rights referred to by H.R. 9946. The South Carolina Rural Rehabilitation Corp. owns the remaining undivided 38.1 percent interest. For this reason, we believe that the bill should be amended to provide for conveyance by the Government only if the corporation also conveys its interest to the board of education.

The Government's interest referred to in H.R. 9946 constitutes an undivided 61.9 percent interest in the retained reversionary rights and in the reserved mineral rights. The Government's un-

divided interest in the reserved mineral rights was transferred to and is administered by the Department of the Interior under the act of September 6, 1950 (64 Stat. 765). It is, therefore, suggested that the bill be further amended to provide for the Secretary of the Interior to join with the Secretary of Agriculture in executing the conveyance of the Government's undivided interests.

To accomplish the amendments suggested above, the bill should be amended as follows:

1. In line 3 on page 1, strike the word "is" and insert in lieu thereof "and the Secretary of the Interior are".

2. A section 2 should be added as follows:

> "Since the United States of America is the owner of an undivided interest in the rights retained and reserved in the deeds described in section 1 and the South Carolina Rural Rehabilitation Corporation is the owner of the other undivided interest therein, the right, title, and interest of the United States of America in said tracts of land shall be conveyed to the Board of Education of Lee County, South Carolina, only if all the right, title, and interest of the South Carolina Rural Rehabilitation Corporation in said tracts of land are also conveyed to the Board of Education of Lee County, South Carolina."

The undivided 38.1 percent interest in the reversionary rights and the reserved mineral rights is owned by and administered by the South Carolina Rural Rehabilitation Corporation subject to the approval of the Government as required by Public Law 499, 81st Congress.

Since it is our understanding that the property would be used by the Board of Education of Lee County for rural educational and community purposes which are authorized rural rehabilitation purposes under section 2(c) of Public Law 499, this Department would be willing to consent to a conveyance by the South Carolina Rural Rehabilitation Corporation of its undivided 38.1 percent interest to the board of education without monetary consideration.

In view of the time limitation, we have not obtained advice from the Bureau of the Budget as to the relationship of this proposed legislation to the administration's program.

Sincerely,

RICHARD LYNG,
Acting Secretary.

Calendar No. 339

91ST CONGRESS
1ST SESSION

H. R. 9946

[Report No. 91–344]

IN THE SENATE OF THE UNITED STATES

JUNE 18, 1969

Read twice and referred to the Committee on Agriculture and Forestry

AUGUST 6 (legislative day, AUGUST 5), 1969

Reported by Mr. JORDAN of North Carolina, without amendment

AN ACT

To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to execute and deliver to the Board of Education of Lee County, South Carolina, its successors and assigns, a quitclaim deed conveying and releasing unto the said Board of Education of Lee County, South Carolina, its successors and assigns, all right, title, and interest of the United States of America in and to those tracts of land, situate in said Lee County, South Carolina, containing eleven parcels, five

of said parcels being more particularly described in a deed dated December 14, 1945, from the United States conveying said parcels to the State Superintendent of Education for the State of South Carolina, recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, indeed book H–1, page 388, and six of said parcels being more particularly described in a deed dated July 15, 1946, from the United States to the State Superintendent of Education for the State of South Carolina, and recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book J–1, page 288.

Passed the House of Representatives June 16, 1969.

Attest: W. PAT JENNINGS,

Clerk.

H. R. 9948

AN ACT

Calendar No. 339

91ST CONGRESS
1ST SESSION

H. R. 9946

[Report No. 91–344]

AN ACT

To authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

JUNE 18, 1969

Read twice and referred to the Committee on Agriculture and Forestry

AUGUST 6 (legislative day, AUGUST 5), 1969

Reported without amendment

10. TAXATION. Sen. Long inserted a press release setting forth his statement on the Finance Committee's decisions regarding State and local bond interest and tax reform. pp. S12257-8

11. BUDGET. Both Houses received from the Budget Bureau a report on the operation of section 401 of the Second Supplemental Appropriation Act, 1969, limiting fiscal year 1970 budget outlays. pp. S12212, H9392

12. POTATOES. Sen. Stevens submitted an amendment intended to be proposed by him to extend the provisions of the potato research and promotion bill to Hawaii and Alaska. pp. S12220-1

13. POPULATION. Sen. Eagleton announced that a subcommittee of the Labor and Public Welfare Committee will hold hearings on Nov. 12 and 13 on a bill to expand, improve, and better coordinate the family planning services and population research activities of the Federal Government. p. S12221

14. PROPERTY. Sen. Proxmire submitted an amendment to H. R. 9946, to release rights in certain Forest Service lands, S. C., which would not unconditionally release the reversionary rights of the U. S. to this land. pp. S12236-7

15. ECONOMY. Sen. Cranston stated the responsibility for control of the economy belongs to the President and inserted Sen. Harris' remarks before a convention of the industrial union department of the AFL-CIO on the state of the national economy. pp. S12242-3

16. AGRIBUSINESS. Sen. Talmadge maintained that agriculture is the Nation's largest and most important industry (pp. S12243-5) and pointed out that Ga. produces more broilers than does any other State in the Nation (p. S12249).

17. ELECTRIFICATION. Sen. Metcalf criticized a Colo. utility corporation's efforts "to incite viewers to demanding congressional cutback of the Rural Electrification Administration." pp. S12246-8

18. WATERSHEDS. Sen. Harris expressed concern about the current freeze order on use of appropriated funds and cutbacks in Federal watershed protection and flood prevention construction work. pp. S12255-5

19. SOCIAL SECURITY. Sen. Williams, N. J., criticized the Administration's social security proposal. pp. S12276-7

20. ADJOURNED until Mon., Oct. 13. p. S12308

EXTENSIONS OF REMARKS

21. CLEAN WATER. Rep. Obey said that more than 200 Members of the House have joined efforts to secure funding for clean water and inserted an article "Hold Out for Clean Water." p. E8337

Rep. Fish stated that "It is not uncommon that appropriations fall short of authorizations....."Not even a billion dollar appropriation would make up deficits incurred by several States" for clean water. p. E8357

22. APPROPRIATIONS. Rep. Mahon inserted a summary picture of appropriations and spending actions of the session thus far. pp. E8341-3

23. RICE. Rep. Rarick stated that "American people are disgusted at products and food given in foreign aid ending up sustaining the Communist enemy" and inserted a news release "Stray NATO Rice." p. E8345.

24. BEEF PRICES. Rep. Price said that beef prices have risen slower than other food prices and inserted his testimony before the House Government Operations Subcommittee on Special Studies. pp. E83456

25. REDWOOD TREES. Rep. Don H. Clausen called attention to the redwood bicentennial discovery, and inserted Calif. State Assembly resolutions relative to the celebration. pp. E8368-9

26. FOREIGN AGRICULTURE. Rep. Edmondson called attention to an award given by the Jordanian Minister of Agriculture to an AID employee for his contribution to Jordan in adaptation of the "summer fallow" method of wheat production and in submission of new methods of increasing farm production and improving systems of farm economic research. p. E8346

27. GRAPES; PESTICIDES. Rep. Mathias inserted a constituent's testimony before the Migratory Labor Subcommittee which he said he believed presented a fair appraisal of the activities of the United Farm Workers Organizing Committee in raising the issue of pesticides to bolster its presently sagging grape boycott. pp. E8381-2

28. RURAL DEVELOPMENT. Rep. Hagan praised the activities of a rural development center administered by the College of Agriculture of the University of Georgia. pp. E8339-90

29. PLENTY. Rep. Fish inserted a report "The Paradox of Plenty," which points up the problems which challenge an affluent society. p. E8394

30. ECONOMY. Rep. Ruppe spoke in favor of his proposed legislation to create a National Commission on Balanced Economic Development. pp. E8395-6

Calendar No. 339

91ST CONGRESS
1ST SESSION

H. R. 9946

IN THE SENATE OF THE UNITED STATES

OCTOBER 9, 1969

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. PROXMIRE to H.R. 9946, an Act to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina, viz:

On page 1, beginning in line 5 with the word "a", strike all through the word "to" in line 9, and insert "an agreement subordinating all right, title, and interest of the United States of America in and to the land hereinafter described to a lien or liens to be executed by the said Board of Education of Lee County, South Carolina, its successors or assigns for the financing of consolidated public school improvements on the said land, which consists of".

Amend the title so as to read: "An Act to authorize and direct the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, South Carolina."

Amdt. No. 229

Amdt. No. 229 Calendar No. 339

91ST CONGRESS
1ST SESSION

H. R. 9946

AMENDMENTS

Intended to be proposed by Mr. PROXMIRE to H.R. 9946, an Act to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, South Carolina.

OCTOBER 9, 1969

Ordered to lie on the table and to be printed

foundations as are made available to public charities. At the very least, there should be a limitation in time.

As a beginning, I propose that favorable tax treatment be accorded a private foundation created hereafter only if it has a limited lifespan—say 25 years, and that tax exemption for existing private foundations terminate within 25 years.

This proposed rule will provide a charitable deduction for Federal income tax purposes to a donor creating such a qualified foundation. Further, the foundation will be exempt from taxes for the duration of its 25-year life. But, at the specified time, the property must pass into the public domain.

This rule would provide a better balance between the interests of the public and private concerns. True, it may not be adequate treatment. It still grants significant tax benefits to wealthy individuals, I acknowledge, purely and practically because of such wealth, and it still provides a generous time during which their own wishes can have absolute priority in terms of expenditures for the public benefit, neither of which benefit is practically available to persons of ordinary means. But it also insures the funds will not be frozen for all time to come into a mold predetermined alone by the donor. At an appropriate time, there will be an opportunity for society of that day to reassess the priorities to which these funds should be directed. And should this not be?

Some donors of foundations have recognized the efficacy of my view that a specific termination date should be set for foundations. In 1928, Julius Rosenwald directed the dissolution within 25 years of the Julius Rosenwald Fund. In a letter to his trustees, he wrote:

> I am not in sympathy with this policy of perpetuating endowments and believe that more good can be accomplished by expending funds as Trustees find opportunities for constructive work than by storing up large sums of money for long periods of time. By adopting a policy of using the Fund within this generation, we may avoid those tendencies toward bureaucracy and in a formal or perfunctory attitude toward the work which almost inevitably develop in organizations which prolong their existence indefinitely. Coming generations can be relied upon to provide for their own needs as they arise.

I concur in the philosophy expressed by Mr. Rosenwald. I am willing now to grant by law an appropriate, fixed period of time for the furtherance of the donor's wishes. But thereafter control should pass to the living.

THE HAYNSWORTH AFFAIR

Mr. PELL. Mr. President, standards of conduct in government must be above the standards observed in other segments of our community. The people rightfully expect that some actions tolerated or permitted in the private sector will not be condoned in public service.

And, within the government, I believe, it is particularly important that the highest standards of conduct be observed by the judiciary, for those who are called upon to pass judgment must themselves be above reproach. And, indeed, among all men in government, the Justices of our Supreme Court should be called upon to demonstrate the nicest sense of ethics.

It is not just a question of doing right or wrong, for certainly wrongdoing cannot be tolerated. But for men in whom the highest trust is placed, even the appearance of a lack of sensitivity to ethical considerations must be avoided. If our country is to feel the confidence it should in the probity of our judicial system, then it is incumbent on each Justice to follow the course of Caesar's wife.

This is the standard that must be applied in considering the nomination of Judge Clement Haynsworth. Thus far no evidence has been brought to my attention that demonstrates actual wrongdoing or evil intent. But the record does show an absence of that nice sense of ethics which I believe should be required of all Justices of the Supreme Court.

For this reason, I oppose the confirmation of Judge Haynsworth to be a Justice in our Supreme Court.

BUSINESS EXECUTIVES MOVE FOR VIETNAM PEACE

Mr. PELL. Mr. President, last week, J. Sinclair Armstrong made a very telling statement before the Senate Appropriations Committee on behalf of Business Executives Move for Vietnam Peace.

Mr. Armstrong has had a singularly responsible and successful record in Government, where his last position was Chairman of the Securities and Exchange Commission, and in private business, as executive vice president of the United States Trust Co. of New York.

Mr. Armstrong has been in the forefront of the growing legion of businessmen concerned with the waste and drain upon our national vigor which is being produced by the Vietnam war.

He believes that it is up to Congress to rescue our country from the dilemma which it is in, and help the executive branch of our Government do what should be done.

I ask unanimous consent that this cogent statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BUSINESS EXECUTIVES MOVE FOR VIETNAM PEACE

(Statement of J. Sinclair Armstrong, on behalf of Business Executives Move for Vietnam Peace, before the Senate Appropriations Committee, September 25, 1969)

Business Executives Move for Vietnam Peace is an organization of 2,600 owners and executives of American business corporations in forty-nine states who seek by open and lawful means to bring about an end of U.S. participation in the War in Vietnam.

We commenced our activity in September, 1967, spurred by several members of the Senate, who asked us, amid all the groups crying out against the U.S. bombing and fighting in Vietnam, "Where are the businessmen?"

We are executives and owners of American business corporations. The men in our group have great responsibility for management of wealth, operation of business, provision of employment, and an evergrowing concern and responsibility for our communities and our country.

My own business experience is in law and finance, and includes four years of service as Commissioner (two as Chairman) of the Securities and Exchange Commission, two as Assistant Secretary of the Navy for Financial Management, and ten in my present position as Executive Vice President of the United States Trust Company of New York (for whose official views I do not purport to speak on this occasion).

As executives and owners of American business, our numbers are small, but we notice an expansion of interest in our cause and an increase in our membership this year. As the War which America repudiated in 1968 continues full of fight through 1969, there is little evidence of progress in negotiations with the governments and fighting organizations involved on either side.

As business executives, we see the War as unwinnable. As financiers, we see the destabilization of our domestic and international finances that it has brought about.

As citizens in our home communities, we see the blight that its excess costs visits on us in curtailment of resources for housing, education, health facilities, mass transport facilities, and productive employment.

As taxpayers, we feel the burden of its cost—the surtax, recently re-enacted—and the proposed repeal of the tax credit for investment in capital equipment by which goods are produced and America is kept modern.

We see the enormous cost of restrictive monetary and fiscal measures, and the record high interest rates—7½% on U.S. Treasury Notes—and curtailment of availability of credit, with the resulting drastic curtailment of vital housing and other construction.

We feel the inflation, the monthly increases in the cost of living, steadily up half of one per cent a month, with no end in sight.

In my testimony before the Defense Sub-Committee of the Committee on Appropriations of the House of Representatives on June 9, (which appeared in the Congressional Record, June 18, 1969), I mentioned the destabilizing effect of the excessive Vietnam and other defense costs, and predicted that, if they continued, there might have to be direct wage and price controls and allocation of materials.

Several days later, the Secretary of the Treasury mentioned this possibility. After that, President Nixon said "no" to wage and price controls. But how else, except by curtailment of war spending, can inflation be curtailed? Tight money and surtax have not succeeded.

A wise leader of organized labor, George Meany, recently returned to the wage and price control theme. Neither he, nor the President, nor we Business Executives believe that that course would be good for America. The economics of the situation tell us that the Vietnam War should be ended now, in the vital interests of our free American society.

THE APPROPRIATION REQUEST FOR SOUTHEAST ASIA OPERATIONS

The Budget of the U.S., FY 1970, pages 73 and 74, states $23,025 million as recommended budget authority ("NOA") for "special Southeast Asia" and $25,733 million (including $336 million "economic assistance") outlays for special Southeast Asia in FY 1970, and military personnel in Southeast Asia, 639,000 in FY 1970.

Secretary of Defense Clifford's Defense Budget and Posture Statement, delivered to the Congress in January of this year, which has not been changed by Secretary Laird so far as we know, calls for the level of operations and personnel requested in the FY 1970 Budget document, for Southeast Asia. Nor do we know whether any budget changes have been made since the President's recent troop withdrawal decisions. We are advised that no action in the House Committee has yet been taken.

Business Executives Move for Vietnam

Peace urge this Committee to reject the request for NOA of $23-billion and rescind obligational authority heretofore granted to spend $25.73 billion on the Vietnam War in FY 1970.

We urge this Committee to hand this request back to the Administration, and to require a new estimate based on a planned, phased, complete withdrawal from Vietnam of all U.S. forces beginning at once.

We do not have sufficient detailed data nor any staff to estimate precisely what this reduced amount should be. In view of the diverse considerations involved in such a withdrawal and the difficulty of making a precise estimate of its cost (recalling my own experience as Assistant Secretary of the Navy for Financial Management and Comptroller of the Navy), I believe that $12.5 billion is a prudent estimate of the cost savings that could have been achieved this fiscal year if a start had been made. As a quarter of the fiscal year has run, $10 billion is a prudent estimate of achievable savings in FY 1970 if the War ended now.

In his article in the October 1969 issue of "Foreign Affairs" magazine (p. 52), Representative Jonathan B. Bingham refers to "experts" who proceed "on the assumption that an end to the War might produce savings of about $20 billion annually after two years."

We Business Executives urge this Committee to start now, by cutting the appropriation.

THE VITAL INTERESTS OF THE UNITED STATES CALL FOR PEACE IN VIETNAM NOW

The U.S. has no vital strategic or economic interest in Vietnam. That tiny country is no threat to U.S. security. We continue to waste our resources—men and materials—there for no vital security reason.

The President recently said that the time for ending the Vietnam War is now. So let us begin with the appropriation, for the War cannot go on without the money taxed from our people and appropriated by the Congress.

We Business Executives see little progress on the military or diplomatic fronts. The U.S. stated conditions of peace is free elections in Vietnam, supervised by an international authority. We are business executives not diplomats by profession. But we believe that North Vietnam will not accept that condition, in the light of U.S. failure to follow through on the similar 1954 commitment. Peace will wait a long time if the U.S. waits for supervised elections—Western style—in that rural Asian country. What is needed is a broadening of the Saigon regime and then a true coalition government of all Vietnam parties to the conflict.

We believe that the only course that will bring this about is announced, complete, total U.S. withdrawal, beginning now. Only then will the recently narrowed South Vietnam Government be broadened. Only then will it have to enter into coalition and make peace.

President Nixon could be a great President if he would act to bring this about. Former President DeGaulle's withdrawal of French forces from Algeria led to a decade of French greatness. World opinion, of our allies, neutral states, the great leaders of the U.N., such as U Thant, and of religion, such as Pope Paul, would acclaim the President, should he do the same for the U.S. in Vietnam. Congress should spur him on, encourage him, support him, in his effort to end the War now.

We Business Executives are not encouraged by recent events.

Many of America's business leaders have lost faith in our country's ability to solve our problems. The Vietnam War keeps us from confronting the domestic crisis which has split the country. Young people cease to respect our generation when we offer them no way out of a useless, unwinnable war, but expect them to fight and die in it.

And what a terrible waste of our most vital national asset—our young men—it is, with 45,000 killed and missing, and 250,000 wounded, and the pace of casualties continuing well over a thousand a week. A country that alienates its most sensitive, highly trained, and productive youth is critically weak.

We Business Executives believe that the failure of our Government to take the necessary measures to end the War signals weakness. The recent decline of stocks and bonds in the securities markets—a drastic drop this year—directly reflects lack of confidence among businessmen and the investing public in the ability of our Government to end the War.

The Administration seems to pursue a two-faced policy on Vietnam. One face is set towards Hanoi. Secretary Laird stated in a recent interview in Time Magazine that the U.S. strategy is to reduce our forces in Vietnam to about 250,000 and keep them out of combat as much as possible to "quiet dissent".

With domestic opposition adequately "managed", the Administration seems to hope that it can convince North Vietnam that it is able to wait indefinitely for a peace offer that will be acceptable to the Thieu Government of South Vietnam. In other words, the U.S. will sit in Vietnam a decade or more waiting for the North and Vietcong to admit defeat. The other face we see in the news and on the television screen at home. That face tells us that the war is proceeding to an orderly solution. The withdrawal of a few troops, hints of progress at the negotiations, and a temporary suspension of the draft seem to be part of a carefully orchestrated plan to convince Americans that we are on the track towards a rapid end of the War.

We Business Executives doubt that this strategy can end the War and thereby help cure inflation and the other adverse economic consequences of the War. The Administration's strategy fails to confront the three stubborn central facts:

1. There can be no negotiated settlement unless the present Saigon government is significantly broadened. In recent weeks it has been narrowed and the hold of General Thieu and the other military leaders has been strengthened.

2. Troop withdrawals have little overall significance, unless they are rapid and deep. General Thieu has said publicly that his government cannot survive if the rate of withdrawal proceeds at any faster pace.

3. As long as U.S. policy continues to underwrite the Thieu regime and insists upon a settlement that the South Vietnam generals will accept, North Vietnam and the NLF are furnished no inducement to make peace, and have no alternative but to continue the War.

Business Executives appeal to the Congress to end this stalemate. The making of War is Congress's responsibility.

The Congress has the power to "lay and collect taxes", "to provide for the common defense", "to raise and support armies", and "to declare war" (none has been declared against Vietnam). U.S. Constitution, Article I, Section 8, "Powers of the Congress".

The President is "Commander-in-Chief of the Army and Navy" and "shall from time to time give to the Congress information on the state of the union and recommend to their consideration such measures as he shall judge necessary and expedient". Article II, Sections 2 and 3.

Constitutional responsibility for the War clearly falls on the Congress.

The decisions of the Congress on whether to continue the Vietnam War will have vital implications for the future. If the Congress says "no" to continuing the War, and denies the appropriations for it, free enterprise in a free economy will survive and prosper in America.

So we, Business Executives Move for Vietnam Peace, urge the Congress to review the Defense Posture and Budget for FY 1970 and revise the Budget so as to cut out the appropriations with which to continue the Vietnam War. We urge this in the vital interests of the United States.

BOARD OF EDUCATION, LEE COUNTY, S.C.

AMENDMENT NO. 229

Mr. PROXMIRE. Mr. President, as we all know, for many years the distinguished former Senator from Oregon, Wayne Morse, used to rise on the floor of the Senate and object to bills which would give away Federal land without compensation. Senator Morse is no longer a Member of this body, but the validity of his point, I think, is just as strong as ever. For that reason, I am concerned about a bill that is now on the calendar, and that I understand is about to be acted upon.

So I send to the desk an amendment to that bill, H.R. 9946, a bill which would convey to the Board of Education of Lee County, S.C., the Federal Government's reversionary rights in certain tracts of land.

The land involved was originally conveyed in 1945 by the United States to the South Carolina Department of Education. The conveyance was free of cost to South Carolina on the condition that the property would be used for educational purposes, but the United States retained the right to reclaim the land if the property was put to some other use. The Lee County, S.C., Board of Education put up a grade school on the property in 1953.

In order to comply with recent school desegregation decisions, Lee County now intends to construct a new high school on this property, and presumably the old grade school would be torn down. Naturally, I am delighted to know of these efforts to implement integration in South Carolina's public schools. However, the board of education has informed the House Agriculture Committee that it will not be able to float the construction bonds for the new school as long as the United States right to reclaim the land—if not used for education—is superior to the rights of the mortgagees who will put up the construction funds.

Frankly, Mr. President, I am at a loss to understand why Lee County is unable to find mortgagees who would not insist on a disavowal by the United States of its legitimate rights to this land. The money is being put up to finance a school. As long as a school is on the land, the Federal Government has no right whatsoever to reenter and reclaim the land. The county stands behind the bonds, and the reverter can be kicked off only if the county reneges on its covenant with the Federal Government.

Mr. President, I am unaware of any other instance in which the Federal Government has been compelled to give up its rights at the insistence of private financiers. To do so, as H.R. 9946 would have the Government do, would represent a clear violation of the terms of the Federal Property and Administrative Services Act, which stipulates that Federal property may be conveyed without cost only if the property is to be used for school purposes. If it is used for some

other community purpose—such as park or recreational use—the act stipulates that the purchase price shall be 50 percnt of the fair market value of the land. Of course, if some private or industrial use is to be made of the property, a full 100 percent of fair market value is to be paid. This is the requirement of the "Morse formula."

Now we are asked to abrogate this time-tested formula by enacting H.R. 9946. Mr. President, I cannot consent to depriving the taxpayer of what rightfully belongs to him. Having conveyed this property free of cost, the Federal taxpayer is entitled to assurance that it will be used for educational purposes. This Senator, for one, serves notice that the Morse formula is still valid, and will be applied in the future.

However, Mr. President, I do not wish to stand in the way of integration. Accordingly, to insure that funds for the new school will be available, I hereby propose an amendment to H.R. 9946 which would subordinate the reversionary rights of the United States to the rights of the mortgagees on this property. The amendment reads as follows:

On page 1, beginning in line 5 with the word "a" strike through the word "to" in line 9 and insert "an agreement subordinating all right, title, and interest of the United States of America in and to the land hereinafter described to a lien or liens to be executed by the said Board of Education of Lee County, South Carolina, its successors or assigns for the financing of consolidated public school improvements on the said land, which consists of"

My amendment would not unconditionally release the reversionary rights of the United States to this land. It would, however, insure that the necessary funds would be available to construct the new school. If this amendment is adopted to H.R. 9946, I would have no objection to the bill's passage.

We have discussed the amendment with the staff of the Senate Committee on Agriculture and Forestry. I am very hopeful that the Senators from South Carolina will agree to the amendment so that we can act on the bill for the benefit of the people of South Carolina.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed and will lie on the table.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

THE THREAT FROM GERMAN MEASLES

Mr. TYDINGS. Mr. President, it is a sad commentary on our society that we seem unable to provide some 50 million children throughout our nation with vaccine protection against German measles.

Rubella, as German measles is known, is itself a mild disease. However, it may cause serious impairment to an infant if contracted by a mother during the early months of her pregnancy. Unless adequate precautions are taken against the disease, children can be born blind, deaf, or with heart and brain defects.

During the 1964 outbreak of German measles, 2 percent of the children born in Maryland were adversely affected. Fifteen hundred children in our State were born with physical defects.

With rubella the cost in human suffering is thus great. The cost of medical treatment and special education is of course tremendous.

Fortunately, there is now a new and safe vaccine to protect against German measles which has been recently licensed by the U.S. Public Health Service.

According to a letter I recently received from Dr. William J. Peeples, commissioner of the Maryland State Department of Health, Maryland has approximately 930,000 children in the 1-to-12-years age group who should receive this vaccine now. Action is underway to provide these children with immunization during the coming school year. Yet, to meet Maryland's needs will cost $1,311,300. This is slightly more than $1 per child.

At this time the Federal Government through its immunization project grant can only furnish enough rubella vaccine to protect less than 8 percent of the Maryland children who need it. State and local governments will be unable to make up the difference.

The Subcommittee on Health is now considering legislation to provide additional Federal financial support for rubella control and other communicable diseases control programs. S. 2264 authorizes $60 million for fiscal year 1970 and $75 million for fiscal year 1971 to reaffirm and increase our nationwide effort to provide protection against communicable diseases.

The proposed legislation has my full support.

Unfortunately, it does not have the support of the administration. Testifying before the subcommittee, Dr. William Stewart, Surgeon General of the United States, and then Acting Assistant Secretary of the Department of Health, Education, and Welfare, stated that present grant authorizations are already adequate to cover the purposes of S. 2264 and that the administration is opposed to the proliferation of categorical grant programs.

I can understand Dr. Stewart's desire for administrative efficiency but am deeply disturbed by the administration's apparent insensitivity to the health of our children. The information I have from Dr. Peeples indicates that the present authority is not adequate and that S. 2264 is urgently required.

I have therefore written the President, urging him to reconsider the administration's position on S. 2264.

Surely we all have the health of our children foremost in our minds. Nothing should stand in the way of our efforts to insure that our children are vaccinated against rubella and that German measles no longer constitute a health danger.

In a democratic society that prides itself on technological skill and humanitarian concern, anything less is sheer hypocrisy.

I ask unanimous consent that Dr. Peeples' letter to me and my own to the President be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., October 8, 1969.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to urge the Administration's support for S. 2264, which authorizes $60 million in fiscal year 1970 and $75 million in fiscal year 1971 for communicable disease control programs.

I am concerned by our failure to have on hand sufficient vaccine to protect our children from the expected nationwide epidemic of German measles. S. 2264 would provide funds to acquire this vaccine and ensure that children born during the epidemic do not suffer the physical defects that German measles may bring.

According to Dr. William J. Peeples, Commissioner of the Maryland State Department of Health, approximately 930,000 children in Maryland should be vaccinated at this time. Yet present federal assistance to the state will cover only 8% of these children. The state and local governments will be unable to make up the difference.

On June 30, Dr. William Stewart, Surgeon General of the United States and then Acting Assistant Secretary of the Department of Health, Education and Welfare, testified against enactment of S. 2264. Dr. Stewart stated that present grant programs are sufficient to cover the German measles threat and that the Administration is opposed to the profit of categorical grant programs.

In view of the information given me by Dr. Peeples, I urge you to reverse the position stated by Dr. Stewart and place the Administration in full support of S. 2264.

I know you share with me the view that our nation, which prides itself on scientific advancement, must no longer permit children to suffer from diseases for which there are effective vaccines.

With best wishes,
Sincerely,

JOSEPH D. TYDINGS.

STATE OF MARYLAND,
DEPARTMENT OF HEALTH,
Baltimore, Md., September 23, 1969.

Hon. JOSEPH TYDINGS,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR TYDINGS: A new safe, effective vaccine to protect against German measles has been recently licensed for general use by the U.S. Public Health Service. The vaccine arrives at a time when health authorities predict an imminent nationwide epidemic.

Although rubella (German measles) is a mild illness, it may cause serious impairments to the infant if contracted by his mother during the early months of her pregnancy. The results of the most recent outbreak of German measles in 1964 were devastating. It is conservatively estimated that 2% of the children born in Maryland during that year were affected. These 1500 children were born with such problems as deafness, cataracts, mental retardation, or heart defects. Many of them were undersized and failed to grow normally. The costs in terms of human suffering is difficult to evaluate. Nevertheless, we do know that the cost of medical treatment, special education, and institutionalization will be tremendous.

The Sub-Committee on Immunization Practices of the Medical and Chirurgical

Faculty of Maryland composed of representatives of the State and local health departments and of the private medical community has recommended that the vaccine be used for children between 1 and 12 years. This is in agreement with the recommendations of the Public Health Service Advisory Committee on Immunization Practices. It is hoped that by immunizing this age group first we can stop the chain of transmission to the pregnant woman thereby decreasing the threat to the unborn child.

There are in Maryland approximately 930,000 children in the 1–12 year age group who should receive this vaccine now. Programs are being planned in Maryland in cooperation with the private medical community to immunize these children during the coming school year. But the cost of the vaccine alone without considering its administration will be a staggering $1,311,300.

At this time the Federal Government through the Immunization Project Grant can only furnish enough rubella vaccine to immunize less than 8% of the children in Maryland in the 1–12 year age group, many of whose parents cannot afford to purchase private medical care. The State and local subdivisions will be able to supply a limited amount of funds for the purchase of vaccine in addition to the large expenditure for personnel to plan and execute these rubella immunization programs.

However, there is currently a bill before the Senate, Senate Bill 2264 which requests federal funds for the Public Health Service Immunization Program. If such a bill is passed, more monies will then be available to purchase additional rubella vaccine for Maryland's children. I urge your support of this important legislation.

Sincerely,

WILLIAM J. PEEPLES, M.D.,
Commissioner.

STATEMENT BY RAND CORP. STAFF MEMBERS ON WITHDRAWAL OF TROOPS FROM SOUTH VIETNAM

Mr. CRANSTON. Mr. President, the New York Times contains an article written by its west coast correspondent, Steve Roberts, reporting that six Rand staff members, "all of whom have done research on Vietnam for the Federal Government, have urged the United States to make a unilateral withdrawal of its troops from South Vietnam within a year."

This declaration by Rand scholars is one more piece of important evidence of the nationwide disgust with our present course in the Vietnam war. Their conclusion—"an unconditional pullout was the only feasible alternative open to Washington"—matches much of our thinking within the Senate.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIX RAND EXPERTS SUPPORT PULLOUT—BACK UNILATERAL STEP WITHIN 1 YEAR IN VIETNAM

(By Steven V. Roberts)

SANTA MONICA, Calif., October 8.—Six staff members of the Rand Corporation, all of whom have done research on Vietnam for the Federal Government, have urged the United States to make a unilateral withdrawal of its troops from South Vietnam within a year.

In a letter to The New York Times, the six said, "Such disengagement should not be conditioned upon agreement or performance by Hanoi or Saigon—i.e., it should not be subject to veto by either side."

The six said that they were acting as individuals, not as employes of Rand, a nonprofit research corporation established by the Air Force in 1946. The corporation is now independent but still does 76 per cent of its work for the Defense Department.

The letter, written by men of considerable expertise who normally shun publicity, provided new impetus to the growing public demand for swift disengagement from Vietnam.

TWO YEARS IN SAIGON

Under contract to the Pentagon, the six have studied subjects ranging from the effectiveness of bombing North Vietnam to the interrogation of enemy prisoners. One of them, Daniel Ellsberg, spent two years working for the State Department in Saigon before joining Rand.

The group includes experts on Russia, China and Japan. One signatory, Melvin Gurtov, is the author of a forthcoming book on the future of American policy in southeast Asia. The other signers are Oleg Hoeffding, Arnold L. Horelick, Konrad Kellen and Paul F. Langer.

The letter writers concluded that negotiations could never bring peace to Vietnam and that an unconditional pullout was the only feasible alternative open to Washington. As one of the group commented: "Unilateral withdrawal is now respectable."

The letter listed four reasons, "apart from persuasive moral argument," for rapid American withdrawal:

"No. 1. Short of destroying the entire country and its people, we cannot eliminate the enemy forces in Vietnam by military means; in fact, military victory is no longer the U.S. objective. What should now also be recognized is that the opposing leadership cannot be coerced by the present or by any other available U.S. strategy into making the kinds of concessions currently demanded.

EXAGGERATION IS FOUND

"No. 2. Past U.S. promises to the Vietnamese people are not served by prolonging our inconclusive and highly destructive military activity in Vietnam. This activity must not be prolonged merely on demand of the Saigon government, whose capacity to survive on its own must finally be tested, regardless of outcome.

"No. 3. The importance to the U.S. national interests of the future political complexion of South Vietnam has been greatly exaggerated, as has the negative international impact of the unilateral U.S. military withdrawal.

"No. 4. Above all, the human, political and material costs of continuing our part in the war far outweigh any prospective benefits, and are greater than the foreseeable costs and risks of disengagement."

DISASTER IS DENIED

The North Vietnamese, the letter continued, have shown extraordinary "resiliency, determination and effectiveness even under extremely adverse conditions." Any hope that the enemy is weaking is "erroneous," it went on.

Moreover, the letter said, the North Vietnamese would never accept a settlement that "implied recognition of the authority of the Saigon government."

"Thus to make the end of U.S. involvement contingent upon such concessions is to perpetuate our presence indefinitely," it declared.

Unilateral withdrawal, the letter insisted, would not necessarily have the disastrous consequences predicted by supporters of American policy. Withdrawal could even produce "desirable political changes in Saigon" by eliminating support for a regime not backed by a majority of South Vietnamese and by allowing a "conhesive national consensus" to emerge.

The theory that a massive military effort in Vietnam would prevent "proxy victories" by the Soviet Union or Communist China "has long since been discredited," the letter added.

"Moreover, we regard the Vietnamese insurgency as having special characteristscs that cannot be considered typical of or exerting decisive influence on other revolutionary movements in Asia or elsewhere," the letter said.

"We do not predict that only good consequences will follow for Southeast Asia or South Vietnam (or even the United States) from our withdrawal," it declared. "What we do say is that the risks will not be less after another year or more of American involvement, and the human costs will surely be greater."

DIRECT ELECTION OF THE PRESIDENT

Mr. CURTIS. Mr. President, one of the most outstanding and scholarly lawyers of Nebraska is Mr. Clarence A. Davis, of Lincoln. As a very young man, Mr. Davis carved out a brilliant career as attorney general of Nebraska. He has in a true sense been the "lawyers' lawyer." He is well known among the good leaders who make up the leadership of the American Bar Association.

Mr. Davis served during the Eisenhower administration as Solicitor of the Department of the Interior. Later, he was Under Secretary.

Mr. Davis has written an article entitled "Direct Election of the President." The article was published in the Nebraska State Journal of October 2, 1969. Mr. Davis' arguments call attention to some questions to which the proponents of direct election have no answer.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DIRECT ELECTION OF PRESIDENT

(By Clarence A. Davis)

Do you want to have your vote for President nullified by a tombstone in Chicago, a vacant lot in Philadelphia, or by repeat voting of a Bowery Bum? If you don't, you better wake up to what this attractive sounding campaign for the direct election of president really means, for it may destroy your vote and end up destroying the American republic.

It minimizes the influence of the smaller states like Nebraska in their voice in the selection of a president. It opens the door towards turning this country into a vast democracy instead of a republic of sovereign states which its founders intended it to be.

Most of us were taught in grade school of the remark of Benjamin Franklin at the close of the Constitutional Convention in which he told excited inquirers: "We have given you a republic if you can keep it." Well, we are about to lose it, and lose it because of a very attractive sounding slogan which covers the ultimate destruction of our political system as we have known it.

This all grows out of the attack being made on the electoral college system. We have never voted directly for the President, but have voted for electors who later met and actually voted for the president. Each state has a definite number of electors.

This is being attacked as secondhand voting. The cry is raised that these electors have the power to vote for Joe Doakes instead of for the man who carried the state; that they are open to corruption and every other abusive charge that power greedy minds can imagine.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY; NOT TO BE QUOTED OR CITED)

Issued October 21, 1969
For actions of October 20, 1969
91st-1st No. 170

CONTENTS

HIGHLIGHTS. Senate reconsidered and passed potato research and promotion bill. House passed peanut acreage allotments bill. Rep. Bingham and others introduced and Rep. Bingham discussed bill to terminate S. Africa sugar quota.

SENATE

1. LANDS. Passed with amendment H. R. 9946, to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, S. C. p. S12774

SENATE

2. POTATOES. Reconsidered and passed as reported S. 1181, to enable potato growers to finance a nationally coordinated research and promotion program to improve their competitive position and expand their markets for potatoes by increasing consumer acceptance of such potatoes and potato products and by improving the quality of potatoes and potato products that are made available to the consumer. pp. S12774-7

3. APPROPRIATIONS. Began consideration of H. R. 13763, the 1970 legislative branch appropriation bill. p. S12830

4. FUTURE FARMERS. Sen. Murphy expressed pride in the Calif. delegation of Future Farmers visiting Washington last week. p. S12780

5. INFLATION. Sen. Griffin inserted the text of the radio address by the President on the rising cost of living. pp. S12782-4

6. ELECTRIFICATION. Received from this Department a report on the approval of a loan to the Golden Valley Electric Association, Inc., of Fairbanks, Alaska. p. S12785

7. PROPERTY. Received from Transportation a proposed bill to authorize and foster joint rates for international transportation of property, to facilitate the transportation of such property; to the Commerce Committee. pp. S12785-6

8. EDUCATION. Sen. Murphy inserted an editorial supporting his proposed Urban and Rural Education Act of 1969. p. S12791

9. CONSUMERS. Sen. Tydings inserted an article which pays tribute to a constituent for the contribution he has made to the consumer cooperative movement. pp. S12812-3

HOUSE

10. PEANUT ACREAGE. Passed under suspension of the rules, H. R. 14030, to amend section 358a (a) of the Agricultural Adjustment Act of 1938, as amended, to extend for 1 year the authority originally granted 2 years ago in Public Law 90-211 for farmers to transfer peanut acreage allotments to each other within their own county (pp. H9708-12). The bill had been passed over earlier without prejudice (p. H9702).

11. WATERSHEDS. The "Daily Digest" states that the Subcommittee on Conservation and Credit, H. Agriculture Committee approved for full committee action five watershed projects. p. D960

12. FAMILY ASSISTANCE. Rep. MacGregor praised the Administration's proposed family assistance plan. p. H9723

13. EDUCATION; HEALTH. Received from HEW a draft bill to extend for an additional period the authority to make formula grants to schools of public health; to Interstate and Foreign Commerce Committee. p. H9731

Senate

MONDAY, OCTOBER 20, 1969

The Senate met at 12 o'clock noon and was called to order by the President pro tempore.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"Holy Spirit, Truth divine,
Dawn upon this soul of mine;
Word of God, and inward Light,
Wake my spirit, clear my sight."
—SAMUEL LONGFELLOW, 1864.

Eternal Father, may this song of the soul awaken us to all true values, clear our sight, and so guard and guide us that daily duties may be lifted into acts of worship. Refresh us at this noonday altar lest we weary before our work is done or despair because the tasks are too difficult. In a world uncertain about many things make us certain of Thee with an inner certitude of experience which endures "the strain of toil, the fret of care." Keep us clear in mind, steadfast in spirit, resolute in righteousness, that we may be used by Thee for the welfare of all mankind and the fashioning of this Nation in the pattern of the kingdom whose maker and ruler is God.

In His name we pray. Amen.

REPORTS OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of October 16, 1969, the following reports of a committee were submitted on October 17, 1969:

By Mr. CRANSTON, from the Committee on Labor and Public Welfare, without amendment:

H.R. 2768. An act to amend title 38 of the United States Code in order to eliminate the 6-month limitation on the furnishing of nursing home care in the case of veterans with service-connected disabilities (Rept. No. 91–482); and

H.R. 3130. An act to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish medical services for non-service-connected disability to any war veteran who has total disability from a service-connected disability (Rept. No. 91–483).

By Mr. CRANSTON, from the Committee on Labor and Public Welfare, with an amendment:

H.R. 9334. An act to amend title 38, United States Code, to promote the care and treatment of veterans in State veterans' homes (Rept. No. 91–484).

By Mr. CRANSTON, from the Committee on Labor and Public Welfare, with amendments:

S. 1279. A bill to provide that any disability of a veteran who is a former prisoner of war is presumed to be service-connected for purposes of hospitalization and outpatient care (Rept. No. 91–486);

H.R. 603. An act to amend title 38 of the United States Code to provide that veterans who are 72 years of age or older shall be deemed to be unable to defray the expenses of necessary hospital or domiciliary care, and for other purposes (Rept. No. 91–481); and

H.R. 9634. An act to amend title 38 of the United States Code in order to improve and make more effective the Veterans' Administration program of sharing specialized medical resources (Rept. No. 91–485).

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, October 16, 1969, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On October 14, 1969:

S. 330. An act for the relief of Dr. Konstantinos Nicholaos Babaliaros.

S. 2068. An act to amend section 302(c) of the Labor-Management Relations Act of 1947 to permit employer contributions to trust funds to provide employees, their families, and dependents with scholarships for study at educational institutions or the establishment of child-care centers for preschool and school-age dependents of employees.

On October 15, 1969:

S.J. Res. 46. Joint resolution to authorize the President to designate the period beginning November 16, 1969, and ending November 22, 1969, as "National Family Health Week."

EXECUTIVE MESSAGES REFERRED

As in executive session the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 12781. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1970, and for other purposes; and

H.R. 13194. An act to authorize special allowances for lenders with respect to insured student loans under title IV-B of the Higher Education Act of 1965 when necessary in the light of economic conditions in order to assure that students will have reasonable access to such loans for financing their education, and to increase the authorizations for certain other student assistance programs.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RETIREMENT OF JUSTICES AND JUDGES OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, for the information of the Senate, the pending business, S. 1508, a bill providing for the retirement of U.S. judges after 20 years of service, will be laid aside for a period of time and will not be considered today or in the immediate future.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SCOTT. This bill was introduced by the Senator from Maryland (Mr. TYDINGS) and myself. I understand the Senator's request, and I have no objection, but I do hope that this matter can be brought up soon.

Mr. MANSFIELD. The request of the distinguished minority leader will be given every consideration. May I say that the majority leader is acting at the request of the Senator from Maryland, which I am sure the distinguished minority leader understands.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

INTRODUCTION OF BILLS AND SUBMISSION OF RESOLUTIONS

Mr. MANSFIELD. Mr. President, on behalf of myself and the distinguished minority leader, I ask unanimous consent to have printed in the RECORD a letter which the minority leader and I have sent to the Secretary of the Senate. We

hope that all Senators will carefully note its contents.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., October 1, 1969.

Hon. FRANCIS R. VALEO,
Secretary of the Senate,
Washington, D.C.

DEAR FRANK: As you know, under Rule VII, the introduction of bills and resolutions is limited to the period for the transaction of morning business unless unanimous consent of the Senate is obtained. The Senate rule controlling the introduction of private bills and resolutions, however, is more liberal than that applicable to public bills, providing as follows:

"Senators having petitions, memorials, pension bills, or bills for the payment of private claims to present after the morning hour may deliver them to the Secretary of the Senate."

While the practice for many years has been to interpret the latter provision as permitting staff aides of Senators to deliver such items to the desk, it would appear to us that a stricter interpretation is now in order. After consultation with Senators of both parties, including the Chairman of the Ethics Committee (Mr. Stennis), it is our joint view that in accordance with the rules, bills and resolutions should no longer be received at the desk by the Parliamentarian for reference to the appropriate standing committees unless they are signed by and delivered at the desk, in person, by the Senator introducing them.

MIKE MANSFIELD.
HUGH SCOTT.

BOARD OF EDUCATION, LEE COUNTY, S.C.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 339, H.R. 9946.

The PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9946) to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the Board of Education of Lee County, S.C.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I send to the desk, on behalf of the distinguished Senator from Wisconsin (Mr. PROXMIRE), an amendment to the bill.

The PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

On page 1, beginning in line 5 with the word "a", strike all through the word "to" in line 9, and insert "an agreement subordinating all right, title, and interest of the United States of America in and to the land hereinafter described to a lien or liens to be executed by the said Board of Education of Lee County, South Carolina, its successors or assigns for the financing of consolidated public school improvements on the said land, which consists of".

Mr. HOLLINGS. Mr. President, by way of explanation of H.R. 9946, now under consideration, the purpose of the bill is to direct and authorize the Secretary of Agriculture to execute and deliver to the Board of Education of Lee County, S.C., an original quitclaim deed conveying and releasing all rights, title, and interest of the United States of America. At present, the rights, title, and interest of the United States is shared with the South Carolina Rural Rehabilitation Corp. on an undivided basis. The United States holds a 61.9-percent interest; the remainder is held by the South Carolina Rural Rehabilitation Corp. The amendment offered by the Senator from Wisconsin (Mr. PROXMIRE) would eliminate the quitclaim deed aspect and subordinate all rights, title, and interest of the United States to a lien or liens to be executed by the Board of Education of Lee County, S.C., its successors, or assigns, which would permit the board of education to issue bonds required to finance the construction for a consolidated high school.

Since the proposed amendment would permit the original intent of the bill, I urge that the matter receive favorable consideration by the Senate.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 9946) was passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 91-344), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill directs Secretary of Agriculture to quitclaim all interest of the United States in approximately 285 acres to the Board of Education of Lee County, S.C. The United States owns an undivided 61.9 percent interest in retained reversionary rights and mineral interests. The other 38.1 percent is owned by the South Carolina Rural Rehabilitation Corp. The property was acquired by the United States and the Rehabilitation Corp., for a resettlement project and the United States conveyed its interest in 1945 and 1946 to the South Carolina State Superintendent of Education, subject to the right to reenter if the property was not used for school and comunity purposes. The South Carolina State Department of Education transferred the property to the Lee County Board of Education on May 20, 1953. The Lee County Board of Education has, since 1953, operated a 12-grade public school on the land. In an effort to comply with an order of the U.S. District Court of South Carolina to provide integrated educational facilities in Lee County, the board of education has proposed, the Department of Health, Education, and Welfare has approved, the construction of a single high school for Lee County on the property in question. Clear title to the land is a prerequisite to the issuance of construction bonds required to finance the project.

The Department of Agriculture suggested amendments (1) directing the Secretary of the Interior to join in the conveyance, since he administers the reserved mineral rights; and (2) conditioning the conveyance upon conveyance by the rehabilitation corporation of its interest. The committee did not adopt either of these amendments, because neither of them appeared necessary, and their adoption might result in some delay in passage of the bill. Enactment is regarded as urgent to permit the board of education to comply with the court order. The rehabilitation corporation advised the House Committee on Agriculture that it was preparing a deed to quitclaim its interest. The Department of Agriculture advised informally that it did not regard its suggested amendments as essential.

COST

Enactment of the legislation will result in a savings to the Government. Passage of the bill will enable the Lee County Board of Education to comply with a Federal court order, the continued enforcement of which would result in expenses to the Government.

The title was amended, so as to read: "An Act to authorize and direct the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, South Carolina."

PROGRAM FOR VETERANS DAY AND THANKSGIVING

Mr. SCOTT. Mr. President, I rise to ask the distinguished majority leader what the program is for the period over Veterans Day, November 11, and for the period over Thanksgiving.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, the Senate will be in session on Veterans Day, which is Tuesday, November 11. The Senate will be out of session from the conclusion of business on the Wednesday before Thanksgiving Day until noon the following Monday.

I think it is better to operate in that fashion this particular year, so that we can comply with the request of the President that his legislation be given as expeditious consideration as possible.

Also, I am fearful that, with Veterans Day falling on a Tuesday, we might have a poor attendance on Monday or Wednesday.

So in this instance I would say that discretion is the better part of valor.

Mr. SCOTT. And on Veterans Day we can make due observance, I take it, of the original purpose for which the day was established—that is Armistice Day—in memory of those who have fallen in our numerous wars.

Mr. MANSFIELD. Yes, indeed; and I expect to make some remarks of that nature on that day. I know the distinguished minority leader will make some, and so will other Members of the Senate; and we will pay our respects to those who have done so much for their country in serving it in time of war and given their lives in its cause.

Mr. SCOTT. I thank the distinguished majority leader.

POTATO RESEARCH AND PROMOTION ACT

Mr. HOLLAND. Mr. President, while both distinguished leaders are in the

HOUSE Oct 23, 1969

11. FARM PROGRAM. Sen. Dole commended Secretary Hardin's "attempt to arrive at meaningful and satisfactory agricultural legislation" and encouraged Senators to respond in kind. p. S13136

12. ENVIRONMENT. Sen. Nelson discussed and inserted an article, "Controversy and Antennas Grow in Wisconsin Forests," which describes a proposed "almost unjammable communications system" with an ability to radio deep running polaris submarines. pp. S13144-7

13. RECREATION. Sen. Yarborough inserted two articles describing the Big Thicket area in Texas. pp. S13148-9, S13158

14. POLLUTION. Sen. Yarborough discussed and inserted an article, "Water, Water Everywhere: Keep It Fit to Support Life." pp. S13155-7

15. HEALTH INSURANCES. Sen. Kennedy inserted material discussing a proposed comprehensive national health care program. pp. S13164-75

16. CLAIMS. Passed over S. Res. 277, to refer S. 202, to provide that the U. S. disclaim any interest in a certain tract of land, to the chief commissioner of the Court of Claims for a report. S13203

17. ADJOURNED until Mon., Oct. 27, 1969. p. S13212

HOUSE

18. AGRICULTURAL APPROPRIATIONS. The "Daily Digest" states that the conferees continued in executive session on H. R. 11612, the agricultural appropriations bill, reached no agreement, and recessed subject to call. p. D980

19. HOUSING. Passed with amendment S. 2864, to amend and extend laws relating to housing and urban development (pp. H9948-84). As passed, the bill combines FHA direct loan and the insured loan account for rural housing into one bookkeeping system. The bill also provides the Department with authority to sell insured notes in blocks rather than individuals, thus allowing a builder to apply for eight or 10 loans at a time and proceed with the development of a small subdivision. Removes the 100-million ceiling on loans and permits FHA to work without a ceiling prescribed by law, consistent with budget limitations. H. R. 13827, a similar bill, passed earlier, 339-9, with amendments was tabled (p. H9984).

20. APPROPRIATIONS. The Appropriations Committee reported without amendment H.J. Res. 966, to further continue appropriations for the fiscal year 1970 (H. Rept. 91-595). p. H10007

Conferees were appointed on H. R. 13763, the legislative branch appropriation bill, 1970 (p. H9946-8). Senate conferees have been appointed.

21. CHILD PROTECTION: HAZARDOUS SUBSTANCES. Agreed to the conference report on S. 1689, to protect children from toys and other articles intended for use by children which are hazardous due to the presence of electrical, mechanical, or thermal hazards. p. H9946

22. LANDS. Concurred in the Senate amendments to H. R. 9946, to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the board of education of Lee Co., S. C. This bill will now be sent to the President. p. H9939

23. NATIONAL SCIENCE FOUNDATION. Rep. Bell was excused as a conferee on S. 1857, the NSF authorization bill, and Rep. Winn was appointed in his place (p. H9942). The conferees agreed to file a report (p. D980).

24. FOREIGN AID. Received from GAO a report on foreign aid provided through the operations of the Sugar Act and the International Coffee Agreement. p. H10007

25. AIRWAY USER FEES. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 14465, a clean bill, in lieu of H. R. 12374, to provide for the expansion and improvement of the Nation's airport and airway system, and for the imposition of airport and airway user charges. p. D979

26. RETIREMENT. Rep. Daniels inserted data explaining the major changes in the Civil Service retirement plan as a result of Public Law 91-93, the newly-enacted Civil Service Retirement Amendments of 1960. pp. H9986-7

27. LEGISLATIVE PROGRAM. Rep. Albert announced the legislative program for the week of October 27: for Tuesday and the balance of the week, a continuing appropriations resolution for fiscal year 1970; the Selective Service amendment bill; and the usual reservation that conference reports may be brought up any time. pp. H9984-5

28. ADJOURNED until Mon., Oct. 27. p. H10007

EXTENSION OF REMARKS

29. RURAL HOUSING. Rep. Zwach supported rural housing programs and stated that it is his belief that if housing in the rural areas is improved the pressure on our cities will be proportionately reduced in this area. pp. E8752-3

30. RECREATION. Rep. Hansen, Wash., asked for increased authorizations for the Point Reyes National Seashore. pp. E8755-6

31. EDUCATION. Rep. Steiger, Wisc., inserted HEW Secretary Finch's speech, "The Federal Government and Higher Education." pp. E8764-6

32. INFLATION. Rep. Hanna suggested that we have "turned the wrong corner" if the reported rise in the Consumer Price Index is correct. pp. E8785-6

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 91st CONGRESS, FIRST SESSION

Vol. 115 WASHINGTON, THURSDAY, OCTOBER 23, 1969 No. 173

House of Representatives

The House met at 12 o'clock noon.

Rev. Baan Vitez, O.F.M., Holy Trinity Roman Catholic Church, Barberton, Ohio, offered the following prayer:

Lord God, grant us the courage, we pray, to love our heritage. This is the day when Your children lit the flame of freedom on the streets of Budapest, Hungary, in 1956.

The fire they lighted, if kept alive, will spell the doom of any oppressors' enforced darkness. The fire within them, and thanks to Your graciousness, within us, is a fire that brightens and warms all men of good will.

May the flames of love of God and national consciousness leap forever in our hearts till we leap with joy into lasting freedom and peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On October 17, 1969:

H.R. 3165. An act for the relief of Martin H. Loeffler;

H.R. 3560. An act for the relief of Arie Rudolf Busch (also known as Harry Bush);

H.R. 11249. An act to amend the John F. Kennedy Center Act to authorize additional funds for such Center; and

H.J. Res. 851. Joint resolution requesting the President of the United States to issue a proclamation calling for a "Day of Bread" and "Harvest Festival."

On October 20, 1969:

H.R. 9825. An act to amend subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, and for other purposes.

On October 22, 1969:

H.R. 13194. An act to authorize special allowances for lenders with respect to insured student loans under title IV–B of the Higher Education Act of 1965 when necessary in the light of economic conditions in order to assure that students will have reasonable access to such loans for financing their education, and to increase the authorizations for certain other student assistance programs.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4293. An act to provide for continuation of authority for regulation of exports.

A CEASE-FIRE NOW

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, on May 15 I introduced House Concurrent Resolution 256 which proposed that the President call for an immediate cease-fire in Vietnam. Fifteen of my colleagues ultimately joined in cosponsoring this resolution. On July 23 the White House responded by informing me that—

A cease-fire is a sensitive and complex question that hopefully will be addressed to (at) an appropriate time in the Paris talks.

Since that time, many of us have despaired that President Nixon will not be moved to call for a cease-fire. Consequently, I have advocated an immediate and total withdrawal of American troops in order to avoid the continuing loss of American lives in Vietnam.

Now there appears to be a decline in enemy-initiated action. Now we are told that American troops no longer pursue offensive military tactics. Now perhaps the Nixon administration will finally consider the "appropriate time" has come for a cease-fire.

Since May when I introduced the cease-fire resolution, approximately 4,000 American men have been killed in Vietnam. If the President will not be committed to the total and immediate withdrawal of American troops, let him call for a cease-fire. First, and foremost let our policy be committed to saving American lives.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON JOINT RESOLUTION MAKING CONTINUING APPROPRIATIONS, 1970

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on a joint resolution making further continuing appropriations for the fiscal year 1970.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING AND DIRECTING SECRETARY OF AGRICULTURE TO EXECUTE SUBORDINATION AGREEMENT WITH RESPECT TO CERTAIN LANDS IN LEE COUNTY, S.C.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9946) to authorize and direct the Secretary of Agriculture to quitclaim retained rights in certain tracts of land to the board of education of Lee County, S.C., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out all after "assigns," down to and including "to" in line 9 and insert "an agreement subordinating all right, title, and interest of the United States of America in and to the land hereinafter described to a lien or liens to be executed by the said Board of Education of Lee County, South Carolina, its successors or assigns for the financing of consolidated public school improvements on the said land, which consists of".

Amend the title so as to read: "An act to authorize and direct the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, South Carolina."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON THE DISTRICT OF COLUMBIA TO FILE REPORT UNTIL MIDNIGHT FRIDAY

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight Friday to file a report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CALLING FOR A CEASE-FIRE IN VIETNAM HOSTILITIES

(Mr. VANIK asked and was given permission to address the House for 1 minute.)

Mr. VANIK. Mr. Speaker, while the debate continues on the schedule for American withdrawal from Vietnam, why not stop the killing now?

The most horrible and unexplainable deaths of war are those which so needlessly occur while governments and their leaders make up their minds on the format of peace. It is imperative to stop the hostilities so that no more of our young men are lost as the talks proceed. I therefore call upon the administration to implement an immediate cease-fire to prevent further loss of life.

The timetable for cease-fire is critical Our Government should announce a unilateral plan for cease-fire by region or by military unit directed toward a total cease-fire.

If we take this action on an announced schedule, the entire world can bear witness to the validity of the offer and the sincerity of the response—and lives can be spared.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman from Ohio yield?

Mr. VANIK. I am happy to yield to the distinguished minority leader.

Mr. GERALD R. FORD. Is the gentleman advocating that the President should order a unit, a group, or all of our forces in Vietnam to stop firing and stand with their guns behind their backs while the enemy can shoot at them?

Mr. VANIK. I did not suggest that.

Mr. GERALD R. FORD. The gentleman said "unilateral cease-fire."

Mr. VANIK. If the gentleman will permit, I suggested that what we do is announce a cease-fire by unit or by region so that we can see what the response is to such action by our Government. I believe I have made that very clear in the basic part of the statement.

Mr. GERALD R. FORD. Let me ask again a simple question. Does the gentleman want the President to tell one unit to stand with their guns behind their backs while the enemy has the right to shoot? Is that what he is advocating?

Mr. VANIK. I did not suggest that at all.

Mr. GERALD R. FORD. The gentleman said a unilateral cease-fire, and that is what it means.

Mr. VANIK. I suggested that by region and by unit we give an expression of our intention. Certainly I do not expect our people to go out and be shot. I expect that they are going to protect themselves and stay behind protective enclaves and not expose themselves to fire.

I believe if we announce a unit-by-unit cease-fire that we can see what the reaction will be on the other side to that kind of action.

It is precisely in line with what Senator SCOTT suggested in the other body. I do not believe our suggestions are very different. I believe there is a great deal of merit to what he has suggested.

Mr. GERALD R. FORD. Senator SCOTT did not say that we should implement ourselves a unilateral cease-fire. He urged that the enemy join with us in a cease-fire and I believe a mutual cease-fire is sound and desirable. The gentleman went one step further however and said a "unilateral cease-fire," which would expose American GI's to the enemy, if the enemy has not agreed to a cease-fire.

Mr. VANIK. Senator SCOTT is quoted in this morning's Washington Post as saying that:

> One side has to take the initiative, and to that extent it would be a unilateral action.

Of course, I do not believe in exposing any of our people to a needless exposure to death. I suggested that we cease fire by a region or by a unit so that we can have an expression of how this kind of action will be treated by our adversary.

Mr. GERALD R. FORD. If we expose one unit to a unilateral cease-fire, then we are exposing x number of defenseless Americans to be shot by the enemy.

Mr. VANIK. My suggestion does not expose a single person needlessly. It is an effort to save lives.

CORRECTION OF THE RECORD

Mr. BLACKBURN. Mr. Speaker, in the CONGRESSIONAL RECORD of yesterday, October 22, 1969, on page No. H9866, in the third column, I am quoted as using the word "renew" in the third paragraph in the third sentence of my statement. The word should have been "remove." I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

DECLARING NOVEMBER 11 A DAY OF NATIONAL CONCERN

(Mr. DICKINSON asked and was given permission to address the House for 1 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, on September 17, I arranged a special order on the floor of the House of Representatives, and over 150 Members of the House joined in speaking out on the problem of our servicemen who are prisoners of war or missing in action in Southeast Asia. I introduced a concurrent resolution, cosponsored by approximtely 200 of my colleagues, which calls upon the President, the Departments of State and Defense, the United Nations, and the people of the world to appeal to North Vietnam and the Vietcong to abide by the Geneva Convention relative to the treatment of prisoners of war. Several hundred wives and family members came to Washington to be present for this occasion and they sincerely appreciated the efforts by the Congress.

Mr. Speaker, the purpose of my taking this time today is to request help again by further emphasizing the problem—in hopes of securing the release of our POW's. I have called upon the President and today I call upon my colleagues to assist me in urging the President to, by Presidential proclamation, declare November 11 a "Day of National Concern" for American prisoners of war, concurrent with our Veterans Day observance. I respectfully urge each of you to seriously consider my request. Such a proclamation would pay tribute to our servicemen, their wives and their families, many of whom have been waiting for over 5 years for information regarding their loved ones.

Once again, your serious consideration for a "Day of National Concern" will be appreciated.

A DAY OF NATIONAL CONCERN, NOVEMBER 9

(Mr. SCHADEBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHADEBERG. Mr. Speaker, in view of the fact that the President has been requested to make a proclamation for a day of concern on November 11, may I tell the Members of the House that the Chief of Chaplains of the Navy has been requested by the National League of Families of American Prisoners of War to commend to our Navy chaplains the 9th day of November as a day of prayer for the brave men being held prisoners of war by the North Vietnamese. I would suggest to Members of the House that they might use that day, also, the 9th day of November, to offer their prayers in behalf of prisoners of war.

Mr. Speaker, I include at this point a prayer:

> Almighty Father, who suffers in the affliction of your children we call upon you now from the depths of our anxiety and great concern for our countrymen and loved ones who have fallen into the hands of the Nation's foes. In the face of the evils that these brave men endure and before the grim burdens they are forced to bear, give them courage and hope, and a never failing confidence in you.
>
> But most of all, O God, we ask that the day will soon come when we can all celebrate their release and safe return to their homes and kindred.
>
> Give to all of us who wait and hope in the face of every disappointment the will to persevere in the cause of peace and the wisdom to conquer hate with love and every doubt with a renewed faith in you. Amen.

VIETNAM WAR MORATORIUM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Public Law 91-110
91st Congress, H. R. 9946
November 6, 1969

An Act

83 STAT. 183

To authorize and direct the Secretary of Agriculture to execute a subordination agreement with respect to certain lands in Lee County, South Carolina.

Board of Education. Lee County, S.C. Lands.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to execute and deliver to the Board of Education of Lee County, South Carolina, its successors and assigns, an agreement subordinating all right, title, and interest of the United States of America in and to the land hereinafter described to a lien or liens to be executed by the said Board of Education of Lee County, South Carolina, its successors or assigns for the financing of consolidated public school improvements on the said land, which consists of those tracts of land, situate in said Lee County, South Carolina, containing eleven parcels, five of said parcels being more particularly described in a deed dated December 14, 1945, from the United States conveying said parcels to the State Superintendent of Education for the State of South Carolina, recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book H–1, page 388, and six of said parcels being more particularly described in a deed dated July 15, 1946, from the United States to the State Superintendent of Education for the State of South Carolina, and recorded in the land records of the office of the Clerk of Courts for Lee County, South Carolina, in deed book J–1, page 288.

Approved November 6, 1969.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 91-312 (Comm. on Agriculture).
SENATE REPORT No. 91-344 (Comm. on Agriculture & Forestry).
CONGRESSIONAL RECORD, Vol. 115 (1969):
June 16: Considered and passed House.
Oct. 20: Considered and passed Senate, amended.
Oct. 23: House concurred in Senate amendments.

GPO 37-139